



Proceedings
of the
House of Assembly

During the Third Session
of the
Thirty-First General Assembly
of Newfoundland

1959

Speaker: Hon. J. R. Courage

Volume II



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Monday, May 11, 1959

(Afternoon Session)

The house met at three o'clock.

Mr. Speaker in the Chair:

PRESENTING PETITIONS:

Hon. W. J. Keough (Minister of Mines and Resources): Mr. Speaker, I beg leave to present a petition on behalf of the some hundred odd residents of the community of Jefferies in the District of St. George's. The petition asks that the highway through the settlement be rebuilt and that the river road along the bank of Crabb's River be rebuilt. Ten years ago, Mr. Speaker, anybody who knew the area west of St. George's and including the Codroy Valley knew it required two things more than anything else, roads and power. During the past decade a great deal has been done about roads in St. George's District. I remember back 10 years ago you could drive from Stephenville Crossing to St. George's but always kept a shovel in the trunk of the car because you knew you had to dig yourself out of the sand. At St. George's you took the road, six or seven miles to Robinson's, then to Doyles where there was a bit of a road system in Codroy Valley. Now you can drive from Howards to Red Rock and to every settle-

ment in the district, with three exceptions, I believe.

Now I do hope it will be possible to deal adequately with the power situation, because if that cannot be done I would not be at all surprised to see some of the farmers west of St. George's give up farming because the competitive position is so impaired through lack of electrical power. As a matter of fact, the Codroy Valley is losing its population through lack of power. Rather than building it up there is an exodus of young people from the Valley. During the last few years they have, unfortunately, not only left the valley but the Province. They are leaving the area because they are no longer prepared to live with the kerosene lamp and put up with a low standard of living and the second-class economy which goes along with the kerosene lamp. However, returning to this petition, while a lot has been done in St. George's District, I know a great deal more can be done. I beg to lay this petition on the table of the House, for referral to the Department to which it relates.

On motion, petition received.

Hon. J. R. Smallwood (Premier): Mr. Speaker, I had hoped to make a statement today on the subject raised and the questions asked by the Member for St. John's Centre, but I fear I will not be in a position to do it until later this week, I think probably

Wednesday. I won't be here tomorrow but hope to be here on Wednesday. But then I will have returned from Halifax in time to be here for Wednesday's sitting, and I hope then to be able to make this statement. If I should miss Wednesday's sitting because of the poor plane connections or flying weather than certainly I will make it on Thursday. I am waiting for some statistics, some facts, before giving the statement.

ORDERS OF THE DAY

LEGISLATION

Second Reading of a bill, "An Act Further to Amend the Crown Lands (Mines and Quarries) Act".

Hon. W. J. Keough (Minister of Mines and Resources): Mr. Speaker, the debate on Second Reading of this Bill has concluded except for the fact that, in summing up, I asked for an adjournment in order to get information on the point raised by the Leader of the Opposition. I had explained that the principle of the Bill was briefly — as the law stands now a person staking a mining claim can keep the surface rights tied up over a considerable area, if the claim is large enough, for as long as he can finance that claim. Now that is not a very desirable thing to have happen. The purpose of this Bill is to provide that, for the future, where a person stakes a mining claim and thereby acquires right to the minerals in the property, when it reaches the stage where he is able to get a mining lease he is entitled to obtain as much of the surface as is reasonable to enable him to conduct the mining operation.

The hon. Leader of the Opposition raised the point that that was alright as far as it went, but in section (3), if a person could get a mining lease and could hold it for 50 years upon the payment of the mere sum of \$5 it would not be much of a deterrent to a person tying up minerals at the moment. He did not know what the position was. But the law provides, where a person gets a mining lease he has to begin producing in that area within two years, and if he does not the minister has the necessary authority to cancel his mining lease. Perhaps that deals adequately with the point raised by the hon.

Leader of the Opposition — if so, we might proceed with Second Reading.

Mr. Speaker: Has the Hon. Leader of the Opposition spoken to this motion?

Hon. M. M. Hollett (Leader of the Opposition): I think I asked a question. I am not sure if I spoke — I want to say a word.

Mr. Speaker: If the hon. Leader has not spoken, he may do so.

Mr. Hollett: I will take it for granted I have not.

Agreed:

Mr. Hollett: It is provided here in the Bill that the leasee will take two years — within two years he must commence mining, active mining. And it goes on to say what is to be expended on exploration and development — an amount of not less than the sum of \$10 for every acre. Well it is not very difficult for a big mining corporation to spend \$10 an acre in order to hold the lease. A corporation like Pickand-Mathers, if you like, is given a mining lease over 100 acres or 200 as the case may be, and all they have to do is that, and there may be lots of minerals there but many things may prevent them opening up and developing the mine. In order to hold the lease all they have to do is spend \$10 per acre each year thereafter and can hold the lease then for quite a long period. Then in the sub-section it states that after the first of January, following the expiration of the period of two years, they can retain the same by paying to the department a rental of 10 cents per acre. Now I will admit this Sir — These same provisions are in the original Act passed, (I forget the date) away back in 1952. I checked it not later than this morning. There is the same provision. I did not know this, otherwise I would have raised the point before. When the Minister is replying, he might perhaps tell us why that was actually put in the original Act. It seems to me ridiculous that a big corporation like Buchan's Mines or any company like that can retain an unlimited number of acres just by pending a small sum of 10 dollars per acre. It means nothing at all because they can send anybody at all in there to spend \$10 to retain it. Then, after a certain period from a year after the lease

also takes care of the acreage, by paying 10 cents an acre. Perhaps the Minister can give us some idea — I cannot say any more now because the thing is in the original Act in 1952, in the Consolidated Statutes. I did not know it was there in the Consolidated Statutes of 1952.

Mr. Speaker: If the Minister speaks now he will close the debate — Does any other member wish to speak to this motion?

Mr. Keough: Mrs. Speaker, I don't know I am sure — I have not the knowledge at the moment as to whether these particular rates were incorporated in the original legislation. The present amendment is not to change the rates that were incorporated in that legislation, and I don't think my department wants to recommend to the government that the rates should be changed, without very careful scrutiny of them. We must first ascertain the reason for them, to ascertain whether changing them would not be detrimental to mineral exploration and development.

In regard to the second point the hon. Leader made, I shall speak: The owner of the claim here, the leasee, is only required to spend \$10 per acre; nevertheless at the end of two years, if he does not develop, as provided in another part of the Mines and Quarries Act, at the end of two years, if he does not proceed with development and with production, the Minister may cancel the lease (The Minister, that is, in consultation with the Executive, which would take cognizance of any extenuating circumstances there might be)

On motion, Bill read a second time, ordered referred to a Committee of the Whole House on tomorrow:

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

Mr. G. R. Clarke (Chairman of Committee of the Whole)

Committee of the Whole on Bill, "An Act to Amend the Urban and Rural Planning Act".

Hon. L. R. Curtis (Attorney General): There are two printings. One is called the second print and one is called the first print. Has the second print been circulated?

Mr. Hollett: Yes! I want to raise that point, Mr. Chairman, it seems rather strange to me. The first print took up the space of a page and a half whereas the second print takes up four pages, almost requiring another second reading, I would say.

Hon. S. J. Hefferton (Minister of Welfare): Mr. Chairman, in the absence of my colleague the Hon. Minister of Municipal Affairs I am charged with piloting this Bill through the House, and I might make the explanation before we start. Although there is no new principle involved in the reprint of the Bill, the Bill is enlarged to take care of certain things contemplated in the first printing because of a new Bill. That is now being changed by reason or conversation carried on between the Department of Municipal Affairs and the Municipal Council of St. John's — A tentative agreement was made and incorporated into this Bill and another one before the house, an amendment to the St. John's Municipal Act.

Mr. Curtis: At the same time, Mr. Chairman, perhaps my hon. friend opposite feel they would like to speak on the principle of the Bill.

Hon. M. M. Hollett (Leader of the Opposition): I would like to have it deferred until tomorrow. There are some references there to the St. John's Municipal Act — I don't think any of my colleagues have had an opportunity to read it.

On motion, Committee of the Whole on Bill, An Act to Amend the Urban and Rural Planning Act, reported progress and ask leave to sit again, carried:

Committee of the Whole on Bill, "An Act to Provide for the use of Sound Recording Machines for Taking and Recording Evidence."

Mr. Curtis: We read this bill and passed all the sections, I understand, except (4) and (5). I would suggest a slight amendment to Section 4, which would cover the point raised by certain members of the house; I think the Premier mentioned it and also some members of the Opposition. "A sound recording made under Section (3) shall be certified by the judge or by the person" . . . If we strike out the word "person" and put

in "Court Official". All court officials are sworn. Therefore a court official would be a sworn official. I think that would make paragraph (4) acceptable. Then, in the side note, — Instead of "certification of said record" insert "certification of sound recording". That is just a misprint.

Then, if we move on to Section (5) — "An official court reporter or shorthand typist may reduce to typewritten copy the whole or any part of the sound record made under Section (3) and certified pursuant to Section (4), and where a reporter or shorthand typist does so, he shall attach to typewritten copies an affidavit stating that it is true". I think these two amendments would meet all the points raised, if they are acceptable to the house.

Mr. Hollett: If the word "court official" has been defined anywhere in any legislation, I wonder! It could be the man who looked after the floors.

Mr. Curtis: I don't think it could be a man who looks after the floors.

Mr. Hollett: I suppose it means crown official.

Mr. Curtis: "Court official" is obvious. The Premier just suggested we make it read "officers of the court".

Mr. Hollett: That sounds better.

Mr. Curtis: That might eliminate the argument there. I think "officers of the court" may restrict it.

Hon. M. P. Murray (Minister of Provincial Affairs): We could put it in the interpretation clause to cover it.

Mr. Hollett: It may not mean very much but it is very important, I think, that evidence taken by sound recording shall be certified by the judge as correct or by a person in charge, a court official. I think it is absolutely essential everybody should know just what is meant by "court official". Maybe the doorkeeper is a court official.

Mr. Murray: Mr. Chairman, I think there is a great deal in what the hon. Leader of the Opposition says. Obviously it is so easy to

tamper with recordings, I think it is absolutely essential it should be in the hands of responsible people. I think in this particular instance we should put a sub-section in the interpretation clause defining "court official", the Registrar of the Supreme Court, the Chief Justice and Court Reporter, something along these lines.

Mr. Speaker: Clause 4, as amended, carried?

Mr. Hollett: Nay!

On motion, clause (4) as amended carried: On motion, clause (5) as amended carried: Motion, that the Committee report having passed this Bill with some amendments, carried.

Committee of the Whole on Bill, "An Act Further to Amend the Newfoundland and Labrador Corporation Limited Act, 1951."

Mr. Curtis: Mr. Chairman, one suggestion — I think we are holding up Section (4), if I remember rightly.

Mr. Hollett: We stopped at page 7.

Mr. Curtis: On page 13, Mr. Chairman, we have a new section to go in, and I will move it. This is to be added as the new sub-section 23, clause 8 (a). We added a new 22, and we added a new 21, and this would be the new 23 to be inserted at the end of the clause. The new section, which I move will read as follows: "The exercise of the rights of the corporation under sub-section 16 and 17 shall be without prejudice to the exercise of the rights hereto before granted to any person, firms or corporations".

It is just a saving clause provided so that these grants are subject to the existing grants, if any — it is purely a formality.

Mr. Hollett: The act was read completely. The appendix was not read, and the Attorney-General asked to report progress at the end of page 27.

Hon. J. R. Smallwood (Premier): Would the hon. Leader of the Opposition like to have it read?

Mr. Curtis: I have a recollection, Mr. Chairman, of making a correction in the middle of page 27, which make me think it was read.

Premier Smallwood: The hon. Leader of the Opposition says page 28 and on has not been read.

Mr. Hollett: I have here "report progress". Agreement:

Mr. Hollett: Could the Minister give us some idea how NALCO could make a default — "in the event of default" — I take it that is a default with some person who may give a lease. Then the government agrees to do certain things. In what way would they make a default?

Premier Smallwood: If they fail to spend the amount they are required to spend, that would be their principal default. They may fail to make returns. They may fail to file copies of their report.

Mr. Hollett: This is if NALCO makes a default.

Premier Smallwood: Quite so! NALCO is required to do certain things which they may fail to do, and if their concessionaires do not want to find themselves in default because of something they did not do — The hon. Leader of the Opposition will remember that was spelled out in one of the conferences we held. It was spelled out quite clearly. They said they wanted to be protected against any default not of their doing, wanted to come back straight to the government.

Mr. Hollett: They could remedy with the government defaults made by NALCO.

Mr. Curtis: Only with respect to the areas where they had their sub-concessions.

Mr. Hollett: Yes.

On motion, clauses (1) through (4) carried:

Mr. Hollett: Mr. Chairman, now that we have come to the end of that, I wonder if the Minister would acquaint the house just how NALCO will hold on to the concessions which it has. Has it got to pay certain amounts of money per year? If so, how much? I wonder if the Minister would give us some idea.

Premier Smallwood: They have to spend almost \$100,000 a year on exploration and drilling, developing in that sense of the word, to be able to hold their concessions. I think we have also introduced into the plan something of the principle of shedding that we introduced, (the Committee will remember) in the BRINCO legislation. They begin with a certain grand total amount of land. On that land they have the sole and exclusive right to explore and if they find anything, also the right to sub-lease their rights or part or all of them to other parties — and if anything is found they have the right to demand and receive a lease over the part that they intend to develop. If they find minerals they have the right to demand from the government the lease of the mineral land known to contain minerals. Then they have a right also to give to other parties the rights they have. They cannot give what they do not have themselves. Then, superimposed upon that is this principle of shedding. After so many years they have to shed or relinquish so many miles.

Now, as a matter of fact what we have done is this: The Committee will remember that NALCO had begun to come fairly near to the time when they were obliged to shed some of their land, under the original agreement, under the timetable set up in the original agreement. We have extended this so as to give the new owners an extension of life of that right, so that they could try their hand at bringing about the development that the owners and directors of NALCO were not able to bring about. But it is no use their trying their hand to bring about development of the area they are about to lose. So we extend the time within which they could make that effort. That is not an unlimited time, it is only an extension. With regard to a lot of the rest of the territory, they have to relinquish it in specified amounts in a specified period of time. I confess I cannot recall now what the periods are, but the Leader of the Opposition is just as familiar as I am with the legislation now before the house. It has been before him for a fort night or more, and he has probably read it since I did. If he did, his memory on it will be quite fresh, fresher than mine. I have not read it for months. Incidentally, this principle of shedding is not entirely new. It was also in the conces-

sion that was given in 1936 by the Commission of Government to the Labrador Mining and Exploration Company. They were given at that time a total of 20,000 square miles; that is to say, they were given the sole right to explore within that 20,000 square miles and the sole right, if they found anything worth developing, to develop. Of course, they were also given the right to concede their concessions in whole or in part to others. As we know, they did this. They conceded part of it to the Iron Ore Company of Canada. Now, that principle of shedding is in there as well. By 1950, I think, they were supposed to shed, I don't know how many thousands, but I think it was 5,000 square miles, and they did shed, I think, that amount then.

At all events, they shed the amount they were supposed to shed, and part of what they shed was this Wabush Lake Area, which we have been considering so much in this house in the last week or so. Now they were supposed to shed more, I think, in 1955. That was five years later. They asked us to extend that period and we did extend it to, I think, 1960, and in 1960, two years from now they have to shed another large slice of that 20,000 square miles and some years after that again they have to shed another large area until finally they come down to a grand total of 1000 square miles, out of their original 20,000. So 1,000 is the most they can have. It is highly unlikely that they will keep the 1,000 but they can under the law as it is; they can keep up to 1,000 square miles, but by that time they will have shed 19,000 out of the 20,000. Similarly BRINCO are required to shed large blocks, large proportions of the area over which they were given the sole and exclusive right to explore. I believe that we have had adopted the same principle in the NALCO legislation, by amendment in the present legislation before the house. I don't know if it is in the Bill before the house at this moment, but it will be before the house and amongst these seven pieces of legislation. I think I have perhaps answered the Leader of the Opposition.

Mr. Hollett: If the hon. the Premier will allow me — There is just one reservation I have as far as NALCO is concerned now. In relation to the Newfoundland government, I feel Wabush and Javelin are in a position

to explore and develop up to 1,000 square miles eventually, perhaps in the next 25 to 30 years, as the case may be. They have more or less absolute control, at least the right to look for all minerals and oil, everything, in that huge area over the allotted time. And the shareholders or directors of Wabush Iron and Javelin are, some of them directors of NALCO. Consequently, these two huge corporations will now be in a position at any rate to explore that whole area —

BRINEX - BRINCO:

Premier Smallwood: If the hon. Leader will allow me to interrupt — Or if not to explore it themselves to get others to do so. It is the latter that is more likely to happen. Now in that connection, if my hon. friend is finished — he must have noticed that BRINCO fairly recently formed a subsidiary company known as "Brinex", which is an abbreviation for British Newfoundland Corporation Exploration Company, "Brinex". Now the purpose of that is to have Brinex act as an agent to put together their resources, block in sections of their concessions with different companies. So they have brought in quite a number of American and Canadian and, I think, other companies as well, giving to each of them a block or section of their over-all concession that they have received from the Legislature of Newfoundland, from this house. Similarly, NALCO is out to do the same thing also, to bring in, we hope, many companies — they hope to bring in many companies. I may say they are already in close touch with very important concerns whose names have often been heard in Newfoundland in the last year or two, and there is a distinct possibility they may get together — two famous names — at least they are talking about it, discussing it. These discussions will be carried on and Newfoundland may see a big combination of big important names tackling one important sector of our natural resources. That is why we did it, to try to stir up new interest and bring in new people. We are quite hopeful that will come.

Mr. Hollett: Mr. Chairman, the hon. the Premier mentioned BRINCO and Brinex. It has nothing to do with this. I wonder if the hon. the Premier could give us any idea of the conversations going on between

BRINCO regarding the sale of electricity? Has he any objection to making any remarks about the uranium deposits of BRINCO? I know this is not the exact place.

Premier Smallwood: Well, if Mr. Chairman and the Committee permit, I will be glad to. The talks are going on very actively within BRINCO and the Iron Ore Company of Canada with regard to the former providing electricity to the latter in the new Wabush Lake Area. I had a report on that as recently as Friday last. It is pending. It depends on negotiations at the moment as to whether it will happen that way or whether the Iron Ore Company of Canada will provide its own electricity by developing Menihek. They are already getting electricity from Menihek, and there is the possibility that they will raise the head by flooding more country and raising the level of Menihek Lake and developing additional power there. That is possible, or there is the possibility of them getting their power from BRINCO, who would develop it in a place the hon. Leader of the Opposition can very well visualize because he was there; below the great proposed main source of power, the Hamilton Falls. Below the falls is the place where they can develop a very substantial block of power which could well fit into the main development which would come later on. These conversations are going forward. I have had reports on the talks. In fact I initiated the talks and I have had reports from both parties. On Friday last I was given a complete up-to-date report, and on the telephone I had one from BRINCO. Now there are still other talks, and it was these to which I thought the Leader of the Opposition was going to refer. BRINCO are also carrying on talks in Ottawa with the Government of Canada. I was present at these talks, or at the beginning of them at least. And while we were discussing these matters we had the pleasure of having a visitor attend the meeting, in the person of a former member of this house, who used to sit there opposite us, up to a year and a half ago.

Mr. A. M. Duffy (St. John's Centre): I understand he was very co-operative.

Premier Smallwood: And I must say I said after the meeting and I repeat now, and I

am glad to repeat, he was most helpful and friendly and co-operative, and we two get along like two long-lost brothers. One would not have suspected for a moment that we were not the closest of friends, as we discussed another electric development, possible electric development, in Newfoundland in which BRINCO are deeply concerned. Now I understand I am to have a report on that very shortly, today or tomorrow, from Ottawa. Until I receive it I am afraid I cannot say anything, but that I hope it is favourable and I have some little reason to suppose so — as the house could imagine — The news out yet? About four o'clock. The white smoke has not gone up yet. My hon. friend, the Solicitor General, has gone out to see what he can round up. Now with regard to the other question, the uranium find at Makkovik which is an extra-ordinary rich deposit of uranium. It is one of the richest deposits in all Canada — the richest — not the biggest. The tonnage deposit is not proven yet. Surely the hon. Leader of the opposition remembers all this as well as I. He was briefed the last time I was.

Mr. Hollett: As to that much I hoped you had more.

Mr. Smallwood: Well, it is the Committee to which I am giving the information. The hon. Leader of the Opposition asked me to do it. It is extraordinarily rich but as yet has not been proven to be a large deposit of uranium. Until they begin to develop, it will hardly pay to go on and do the extensive drilling that would be needed to prove up the much greater tonnage. They had hoped actually to work that mine and while working it to use their income from it to finance the cost of a great program of drilling to prove up the tonnage they suspect to exist but don't know exists.

Now, the whole uranium market is off, and they are not moving. There is no activity at the present time because of the present state of the world uranium market, which the Committee must know is very precarious, unpromising at this moment. Until they know what new contracts are to be placed, new orders are to be given, what markets are to exist after 1960, I think, or 1962, their hands are tied.

Mr. Hollett: That is an important year.

Mr. Hollett: You are getting older and are likely to forget.

Premier Smallwood: An important year in another respect too, isn't it? They are just going to sit tight and see what breaks, what market offers, what new contracts are likely to come up. They won't wait until 1962, you know, to place new contracts. The existing contracts expire in 1962, but indications of what new ones will be given following the expiration of the present ones, indications of that will be given long before 1962. That is about all I can say about uranium at this moment.

Premier Smallwood: Yes, especially with so many committees, groups, boards, authorities and organizations of all kinds. It is a wonder I don't forget the names of the organizations not alone their many reports, but I manage to get most of them.

Mr. Hollett: There is one other question — While we are on NALCO, I wonder will the hon. the Premier tell us whether or not NALCO has shed any of its concessions on the Burin Peninsula?

Mr. G. Nightingale (St. John's North): Has anyone any right to go in on these particular areas to prospect, on these territories owned by Wabush? The Federal government, for instance?

Premier Smallwood: I don't think so. I don't think they are due yet to be shed. These were the last concessions they were given, I think.

Premier Smallwood: Whoever owns land, whether it is the Crown in Right of Newfoundland, (i.e. the government) the public of Newfoundland, or a private company or companies, the owners are always happy to have somebody go in, especially the government of Canada, and search. And most of the land on which the government of Canada sends its geologists is land that is privately owned, or a large part of it. If they suspect that it is mineralized they go in and look, it does not matter who owns it. If mineral is developed, it is good for Canada, it does not matter who owns the land, the minerals and the mines so long as they are developed.

Mr. Hollett: One of the last.

Premier Smallwood: They were among the last of the concessions in point of time to be given to NALCO. NALCO entered into an agreement to conduct an intensive survey in that area with the Aluminum Company of Canada, Alcan, of course, being interested in finding fluorspar — or am I confusing that with something else. I know that Alcan and another company — we insisted on another company there — were interested only in fluorspar, but we wanted everything looked for. If they were going to look over a given area, they were not to confine it to fluorspar or any one mineral. We insisted on getting another company to join in and look for other base metals.

Mr. Nightingale: The Federal department is doing a good job, Sir. Committee of the Whole on Bill, "An Act to Authorize the Lieutenant Governor in Council to Enter Into Agreement with Canadian Javelin Limited";

Mr. Hollett: Don't they make a report every year? NALCO is supposed to make a report.

Hon. L. R. Curtis (Attorney General): The bill has been disposed of except it was not formally passed. We have passed every section.

Premier Smallwood: I think they do, in fact I know because they are made to me as Minister of Economic Development. Actually, what happens is they bring in the reports and I say, 'sit down and tell me what is in it'. They tell me orally and that saves me the work of browsing through long reports.

Motion, that the Committee report progress and ask leave to sit again, carried:

Committee of the Whole on Bill, "An Act to Authorize the Lieutenant Governor in Council to Enter Into an Agreement with Newfoundland and Labrador Corporation Limited and Canadian Javelin Limited and to Provide Certain Statutory Provisions for the same Purpose".

On motion, Clause (1) carried:

Mr. Curtis: In "C" of Clause (2), in the last

line but one — “Hereinafter substituted” — between these two words insert the word “lawfully” — “Hereinafter lawfully substituted”.

On page (3), 5th line — “the assets, sub-leases and licences and agents of NALCO” — insert the word “agent”.

These are the only two changes.

On motion, Clause (2) as amended, carried:

Mr. Hollett: Surely, Mr. Chairman, that looks a bit odd for NALCO, also to mean its agent and its leasees, subleases, for instance Javelin.

Mr. Curtis: This is a definition of NALCO. NALCO means Newfoundland and Labrador Corporation.

Mr. Hollett: Is not Javelin a leasee of NALCO?

Mr. Curtis: Yes.

Mr. Hollett: Therefore Javelin is NALCO. Pickands-Mather is NALCO.

Mr. Curtis: Yes, insofar as their particular concession is concerned. Yes, they are NALCO for the purpose of this definition.

Mr. Hollett: I don't see it but I suppose I have not got a legal brain.

Mr. Curtis: Lucky for that or you might be Chief Justice.

Mr. Hollett: If NALCO gives me a licence or lease then I am NALCO?

Mr. Curtis: If I have a lease of a piece of land from anyone and I transfer to you, you take my place, and then if you sell it to the gentleman next to you he becomes the leasee. It is just a legal function.

Mr. Hollett: NALCO there is very closely defined. Now you are altering the definition of NALCO.

Mr. Curtis: Just for the purpose of this Act. You see the definition of NALCO in an Act only applies to that Act. It is not a general definition that you get in a directory. NALCO has one definition in this Act, and another and still a third in a third Act.

Mr. Hollett: But, Mr. Chairman, this Bill purports to define an agreement between NALCO and Javelin and Starts out by defining NALCO and Javelin. Yet Canadian Javelin means NALCO and NALCO means Canadian Javelin. I think we should take a look at that.

Mr. Curtis: Let it pass now and before rising, the Committee will look at it.

Mr. Hollett: Yes, sure, there is something difficult about it.

Mr. Curtis: No, only difficult for a layman to understand.

Premier Smallwood: That is putting us in our places, you see.

Mr. Hollett: I am glad to be a layman, Mr. Chairman.

On motion, Clauses (3) and (4) carried:

Mr. Hollett: The Social Security Assessment Act is taking an awful beating under this legislation.

Mr. Curtis: Clause 5 (2), fourth line, the word “the” inserted — “the authority”.

Mr. A. M. Duffy (St. John's Centre): I mentioned this in the principle of the Bill, that it is unfortunate. I am prepared to admit that there is some economic necessity but it is unfortunate that this should be necessary because I think it represents a relatively substantial amount of money. In the wording of this it says — “machinery, goods, articles and things”. Now, just exactly what does that mean?

Premier Smallwood: Articles and things used in the original.

Mr. Duffy: Does that mean workmen's overalls and hammers? Should not that be more clearly defined?

Mr. Curtis: I may say, Mr. Chairman, we have a letter of intent from the companies concerned, defining just what that is to mean and making clear it is not to include food or workmen's clothing and things of that type.

Mr. Duffy: That is covered specifically?

Mr. Curtis: We did not know how to draft the section so as to include what should be, and exclude what should not be, so it is being done in the form of a letter of intent. We have it.

Mr. Duffy: That is alright.
On motion, Clauses (5) and (6) carried:

Mr. Hollett: Why 15 years here? We agreed the other day remember the discussion? that no firm or corporation, no mining company, would be prepared to pay out a lot of money and raise a lot of capital if they had to proceed with due diligence. Now, in connection with Julianne Lake there is the Pickands-Mather area, Javelin area and the Knoll Lake area and Julianne Lake area. Well, it is obviously impossible that all would proceed at one time. There must be some orderly development, and if we made it obligatory for Julianne Lake to proceed, for instance, with due diligence, the question arises "what does due diligence mean"? Does that mean immediately or in its turn? So it is felt that a term of 15 years should be the outside period.

Premier Smallwood: It is an attempt at defining the words "due diligence".
On motion, Clause (7) carried: Clauses (8) and (9) carried:
On motion, schedule carried:

Mr. Curtis: My hon. friends will realize, Mr. Chairman, these agreements, all of them, had to pass about 10 lawyers altogether, and by the time every lawyer had his amendments —

Premier Smallwood: Or pretend to earn his fee.

Mr. Curtis: I must repudiate that suggestion, Mr. Chairman.

Mr. Hollett: That is a long agreement, Mr. Chairman, for 29 square miles. It has almost that much typing.

Mr. Smallwood: There is a lot of mineral down there.
On motion, appendix carried:
Motion, that the Committee report having

passed this bill with some amendments, carried:

On motion the Committee recessed for 10 minutes after which Mr. Clarke, returned to the Chair, as chairman.

Committee of the Whole on Bill, "An Act to Authorize the Lieutenant-Governor in Council to Enter Into an Agreement with Newfoundland and Labrador Corporation Limited, Canadian Javelin Limited, and Wabush Iron Company Limited, and to Provide Certain Statutory Provisions for the Same Purpose and to Make Certain Amendments to the NALCO-Javelin (Minerals Lands) Act, 1957".

Mr. Hollett: I wonder if somebody would explain the reason it is called optional agreement? This is on a big area, I believe.

Mr. Curtis: Because it gave them an option to take the property within a certain period of time. It is literally an option. They had to have some distinction. One had a concession agreement, and the other an option agreement.

Mr. Hollett: I wonder could the Minister describe the Wabush Iron lease, the area involved?

Premier Smallwood: I cannot, from memory.

Mr. Curtis: I dare say the maps will show those which we have already given the hon. member.
On motion Clauses (1) through (5) carried:

Mr. A. M. Duffy (St. John's Centre): I suppose the same applies there, a letter of intent covering social security tax?

Mr. Curtis: Yes, there is a letter about that too. We have the formal letter for all agreements.

Mr. Hollett: I understand the Attorney-General to say there was a letter of intent in connection with that?

Mr. Curtis: Yes, never actually signed, just approved in form. I will be able to bring it and show it to the house tomorrow. It is just a general statement saying this does not

include . . . food or clothing of any description.

On motion, clauses (6) and (7) carried:

Mr. Hollett: Mr. Chairman, why are not the provisions of the NALCO Act in relation to any obligation to proceed with development or with mining made by NALCO to Javelin, why don't they apply in respect of these various areas?

- (a) From which Wabush Iron acquires a right to take a lease under
 - (1) the Option Agreement; or
 - (11) subclause (1) of clause (3) of the Statutory Agreement while such right subsists;
- (b) demise in a lease granted to Wabush Iron
 - (1) by Javelin in pursuance of the Option Agreement or
 - (11) by the Government or by NALCO under and in pursuance of subclause (1) of clause (3) of the Statutory Agreement

while such lease remains undetermined;

- (c) demised by the Wabush Iron Lease; or
- (d) demised by any lease granted in pursuance of subclause (3) of the Statutory Agreement.

Mr. Curtis: We could just hold that section for a second look.

On motion, clause (8) stands: Clauses (9) and (10) carried:

Mr. Curtis: In clause 11, the word "for" to be inserted: "(iv) steam hydro — electrical or other plant 'for' developing power"

On motion, Clause (11) carried:

On motion, Schedule carried:

Motion that the Committee report progress and ask leave to sit again, carried:

Committee of the Whole on Bill, "An Act to Authorize the Lieutenant-Governor in Council to Enter Into an Agreement with Wabush Lake Railway Company, Limited, Northern Land Company Limited and Carol Lake Company, Limited, and to Provide Certain Statutory Provisions for the Same Purpose":

Mr. Curtis: This has been read, and there are no reservations at all. Perhaps we might report progress on it again, and also report progress on all these bills, I think.

WABUSH LAKE RAILWAY:

Committee of the Whole on Bill, "An Act to Amend the Wabush Lake Railway Act, 1955".

Hon. L. R. Curtis (Attorney General): There are two little changes there, Mr. Chairman: in the first place we brought in a slight amendment to 32, and you will remember we made one change in the middle by saying "Instead of Carol Land Company, Carol Lake Company". Another amendment should make the words "or of Canadian Javelin Limited or of any other persons or companies". This should be stricken out because they are covered in the proviso added to it. It will then read: "shall be without prejudice to the rights of the Government against the Company — then, instead of "for", "with respect to" any obligation of the Company previously accrued.

On motion, Clause (6) as amended carried:

Mr. Curtis: It will be remembered Mr. Chairman, on page 4, (7) — (1) I was moving an amendment and the wording was not satisfactory to me, so I had another look at the section — Now on the fifth line from the bottom of the new 7 (1) — the words "Incidental thereto". After thereto I would like to write in the words: "and without restricting the generality of the foregoing land for a railway right-of-way to Julienne Lake Area". So that, Sir, it now reads: "For other purposes incidental thereto and without restricting the generality of the foregoing land for a railway right-of-way to Julienne Lake Area". There is not a bit of difference in the amendment, it just means Julienne Lake. They have asked us to do it.

On motion, Section (4) as amended, carried:

Motion that the Committee report progress and ask leave to sit again on this bill, carried: Committee of the Whole on Bill, "An Act Respecting a Private Mining Carrier Railway in Labrador".

Mr. Chairman (Mr. G. R. Clarke): This bill has been read.

Mr. Curtis: I have no additional amendments to that, so might we just report progress and ask leave to sit again?

Motion, that the Committee report prog-

ress and ask leave to sit again, carried: Committee of the Whole on Bill, "An Act Further to Amend the Accident Insurance Companies (Licensing) Act".

Mr. Hollett: Mr. Chairman, does that mean they have to forward the name of every person insured and the amount of insurance carried?

Hon. M. P. Murray (Solicitor General): No, Sir, all that is involved is that each company doing business under-writing automobile insurance is required to file at the end of each year a balance sheet as to the total amount of premiums and the total amount paid out in order to arrive at the total. This information is sent to Montreal, to a statistical agency, the Canadian Board of Fire Underwriters. Based on the information received they are supposed —

Mr. G. Nightingale (St. John's North): I take it we will have cheaper insurance from now on in Newfoundland?

Mr. Murray: Not necessarily. This is to insure that the rates are not set arbitrarily by any company but on an actual statistical basis.

Mr. Hollett: Who is the superintendent of Insurance?

Mr. Murray: Mr. James Channing, the Deputy Minister of Provincial Affairs. There is a superintendent for every province, as you know.

Mr. Eric Jones (Burin): This means we might expect uniformity of rates between different companies insuring automobiles?

Mr. Murray: That is the purpose; that the rates be uniform and not set by the caprice of any company, set uniformly all throughout the Provinces.

Mr. Duffy: That does not apply to fire insurance?

Mr. Murray: No, this has nothing to do with fire insurance.

Motion, that the Committee report having passed this Bill without amendment, carried:

Mr. Curtis: I would suggest instead of passing these Bills, the motion in every case be that we report progress because we would like to keep them in the Committee stage. I move we report progress on all Bills except the last one we passed.

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

Mr. Clarke (Committee Chairman): Mr. Speaker, the Committee of the Whole have considered Bill No. 37, "An Act Further to Amend the Accident Insurance Companies (Licensing) Act", and have directed me to report having passed same without amendment.

On motion, report received, Bill ordered read a third time on tomorrow:

Mr. Clarke: Mr. Speaker, the Committee of the Whole have considered other matters to them referred and have directed me to report progress and ask leave to sit again. On motion report received, Committee ordered sit again on tomorrow:

Mr. Curtis: I move, Mr. Speaker, the remaining orders of the day do stand deferred, and the House at its rising to adjourn until tomorrow, Wednesday, at three o'clock.

On motion all remaining Orders of the Day stand deferred:

On motion the House at its rising adjourned until tomorrow, Wednesday, May 13th, at three o'clock.

Wednesday, May 13, 1959

(Afternoon Session)

The house met at three o'clock.

MEMORIAL UNIVERSITY:

Hon. J. R. Smallwood (Premier): Mr. Speaker, I would like to say something about the new University. I remember I said one day last week that I would say something about it soon and I am in a position to do that today. I don't propose to say too much. We have decided to go ahead at once with the building of the first stage of the

university consisting of five separate buildings, a model of which we have had on the floor of the house on several occasions. The buildings are: Arts, Education, Science, Library, Gymnasium and the Housing. The total cost is \$13 million and we hope that construction will commence on the 15th of June this year. The people who are to build promise that they should complete construction in about a year and a half, about the same rate of time as it took to build the new Confederation Building.

Now \$13 million is, of course, a lot of money for Newfoundland; and it is too large an amount to add to the public debt, just as \$8 million seemed to us at the time too large an amount to add to the public debt for the construction of the Confederation Building. Therefore, after we had made the arrangement with Whitney Hansen for the construction of the Confederation Building, we asked them to give us a price on the Building, but we had no plans nor specification. But we did have plans and specifications for the University, because, over a period of years, they have been in process of drawing. So they took these specifications and suggested certain changes for us. In the construction of the Confederation Building, the house will recall, we submitted their proposals to architects and to other firms, a number of firms, and then submitted their plans to Central Mortgage and Housing Corporation at Ottawa, and a number of other very eminent authorities on the mainland of Canada. They approved them, so we did, and the house finally did as well.

So that, what we propose to do now, is to take those same original plans and specifications on the University buildings and apply to them the same modifications that were applied when we were deciding on the nature of the Confederation Building construction. Otherwise, the unit price is the same, the whole scheme is the same, notwithstanding the increase in cost of construction — We are getting the university built for the same unit price as was the case in the construction of the Confederation Building. The estimate is that it will cost \$13 million to deliver the buildings to us complete. Of that, about \$4.25 million will be represented by labour costs, local labour cost. In addition to that, there is some imported labour which will have to be employed, as was the case with the Confedera-

tion Building. They were not able to get enough brick layers, and so I think 50 or 60 men had to be brought in from Montreal, during the past winter. Indeed, I think most of the brick work on Confederation Building has been done by bricklayers from Quebec, from the Province of Quebec. Similarly, in the construction of these five new buildings, it is probable that a great many bricklayers will have to be brought in, because we just have not got them in our Province. They employed all the bricklayers in Newfoundland they could get, but having done that they still will undoubtedly need more for these five new buildings. I am quite sure they will need far more than are available locally in the construction of the Confederation Building. Actually the figure of 15% of the labour will be non-local labour; and 85% which will be local will take about \$4.25 million in wages.

Then, the material that will be obtained locally will run to about another \$4 million; so that, of the total cost of the buildings, about \$8.25 millions of the \$13 millions will be distributed to local people. A large part of the material, of course, will have to be imported. All of the steel and possibly all of the brick — if not all, then a large proportion — as was the case with Confederation Building. Some bricks are Newfoundland-made and some are brought in from the outside. I am quite sure it would be the same with the University.

The plan is that we will take 25 years to pay for it. We commence payment as soon as we receive the buildings, as soon as they are finished and they give us the key and we take possession. Then we begin to pay and will pay approximately \$800,000 a year, for 25 years. That will amortize the full cost, including interest. And although it is perfectly true that we would borrow this money to build ourselves and we would get the money cheaper than they will get it (although not very much cheaper) we think that the savings we would make on interest charges would be much more than lost by the lack of efficiency there would be in constructing these buildings, as compared with the efficiency the present people are able to give.

At the peak, there will be a total of about 600 persons working on the construction of these buildings. I am anticipating the estimate when I say approximately \$200,000 a

year for some few years to come, will be the approximate amount that this house would need to vote to the University for or towards the operating costs of it, together with the \$800,000 a year, (the cost of purchasing the new buildings) which together will run to something over \$1,200,000 a year as the total future cost of the university.

Now, the only one of the two figures that will remain constant is, of course, the \$800,000 for the purchase of the buildings. The \$200,000 is bound to increase when the new buildings are finished and a much larger number of students enter the University. I think at the moment it is 1100 or 1200. It will doubtlessly increase to 2000 in the next three or four or five years. And I think we may as well be reconciled at once to the fact that the \$200,000 a year that the University is costing us now to operate, as our contributions — (that is to say, our contribution as distinct from the contributions of the Canada Council, which is contributing even more than that, I believe, to the annual cost of the university) — our cost will undoubtedly increase. So that, while for the next two or three years, while we may think \$1,000,000 a year will cover it, as the total contributions from this house, that will not long remain the case. You will see it going much higher than that.

I don't know that there is anything more that I can add. The legislation will have to be brought down, of course, and the house will have to debate the matter thoroughly, as it did when the Confederation Building was decided on, and the money was being voted. The Cabinet have approved the plan. Legislation will have to be brought down, of course, and the house will have to debate the matter thoroughly, as it did when the Confederation Building was being decided on, and the money was being voted.

I have only this to say, however — I am very proud to be able to make this announcement. The house will remember that: it was a Liberal government that built the University in the first place, in 1920, the University college, as a memorial to Newfoundland veterans in the First World War; and it was a Liberal government which made it a University 10 years ago. And the same Liberal government is now embarking upon this very ambitious plan to commence the construction of a university at an initial cost of \$13 million. I am very proud of that. I am

sure my friends won't begrudge us the very natural pride we have in this. I am not saying if they were here they would not do it just as gladly as we do. I am sure they will support it. I am sure that, as Newfoundlanders, they are as happy as we are to see this great advance in education in Newfoundland. But, as I say, I can't resist the opportunity to express my own personal satisfaction at being associated in this way with the building of Canada's newest university and one that we hope will be better in some respects than some other universities.

May I say this before I finish: I can't help it — I am going to say it my way. I am not happy with the progress of the University. I have had disquieting reports about the University in the past three, four or five years, but especially the last one or two years. I am not happy and this government are not happy about the standards of the University. We are not happy about the fact that, 10 years ago, when we created it, we expressed a strong hope that the University would very rapidly become the best in Canada from the stand-point of extension work. When we expressed the belief that Newfoundland, as far as the University was concerned need, above anything else, good extension work; about the greatest work this University could do was in the direction of extension, of carrying itself out into the outports. If we could not bring the sons of fishermen and loggers into St. John's to attend the University, then bring the University to them, as is done all over the world, as is done so magnificently in England. But ten years have passed and we still have no extension department; 10 years — a decade — and it seems to me that some of the authorities in the University have failed utterly.

Hon. M. M. Hollett (Leader of the Opposition): May I ask a question? Is it not so that recently a director of extension was appointed?

Mr. Smallwood: Yes. After 10 years — after 10 years they succeeded in finding a man, and the place they found him was the United Kingdom, to head up an extension department. But I say, after 10 years, although it was well known in the University that we wanted the University to lean very heavily in the direction of extension work.

So, 10 years have passed and only now we appoint a director but still no extension department and 10 years have passed without any extension work. Now I can say this. There will not be another 10 years pass, there will not be another two years pass — mark these words. Let it be noted this University belongs to the people of this Province. It is their property. They own it, the people of Newfoundland. If this house accepts the invitation of the government, the government will shortly commit itself to an expenditure of \$13 million for these new buildings; and the people of Newfoundland have the right, through this house, to see that our University is what this house wants it to be. That was made clear 10 years ago, and a decade has passed and it is still not what we wanted it to be. I hope this is noted — I hope it is noted, and I hope the significance of it will be noted when we bring in an amendment to the University Bill here. In fact I think it is on the Order Paper now. I hope the significance of the changes we suggest will be noted.

Before I sit down may I invite your attention, Mr. Speaker, to the act that we have here with us today a distinguished visitor, a member of the Mother of all Parliaments, the House of Commons in London, in the person of Captain Cooper-Key who is visiting Newfoundland with Lord Rothmere, the Chancellor of the University. I am sure we are all extremely happy to see him occupy a seat, which in our more grandiloquent moments we call the "Strangers Gallery" in this chamber. We welcome him here!

Hon. M. M. Hollett (Leader of the Opposition): Mr. Speaker, I just want to say a word or two, just to say that I think in all probability all the people of Newfoundland will be glad of this announcement about the up-and-coming University being built by the Conservative Government. That is the history in all countries, of course, in the world.

Premier Smallwood: By the people.

Mr. Hollett: The Liberals build, they say, but it is the Conservative Government who have to pay for it. Now, we don't mind paying for the University, and are very happy at the announcement that some progress is being made and will be made. It is going to

cost \$20 million, over 25 years, (more according to the hon. the Premier) but it is going to be worth it if it brings to Newfoundland that degree of culture our people are entitled to after these four and a half centuries of trial here as the "outpost of the empire" — still "Empire", in my opinion. I haven't anything further to say except we are glad arrangements are being made. We will have a lot to say when the legislation is brought down in connection with the University, I suspect. At the moment I would rather let sweetness prevail over this new venture on the part of the Liberal government.

NOTICE OF MOTIONS:

LEGISLATION:

Hon. L. R. Curtis (Attorney General): Mr. Speaker, I give notice I will on tomorrow introduce the following Bills:

A Bill, "An Act Further to Amend the Labrador Railway Act, 1948"; A Bill, "An Act to Authorize the Government of Newfoundland to enter into an agreement with Newfoundland Cement Company Limited and North Star Cement Limited"; A Bill, "An Act to Authorize the Government to Enter into an Agreement with McNamara Construction of Newfoundland Limited and Canadian Machinery and Construction Limited"; also a Bill, "An Act Further to Amend the Industries Act"; and a Bill, "An Act Further to Amend the Companies Act".

Hon. W. J. Keough (Minister of Mines and Resources): Mr. Speaker, I give notice I will on tomorrow ask leave to introduce the following: A Bill, "An Act Restricting Travel Through Forest Lands" and a Bill, "An Act to Authorize the Government of Newfoundland to enter into an Agreement with Mr. M. J. Boylen".

Hon. Dr. J. A. McGrath (Minister of Health): Mr. Speaker, I give notice I will on tomorrow ask leave to introduce a Bill, "An Act Further to Amend the Public Health Act."

Hon. C. H. Ballam (Minister of Labour): Mr. Speaker, I give notice I will on tomorrow ask leave to introduce a Bill "An Act

Further To Amend the Apprenticeship Act."

Hon. E. S. Spencer (Minister of Finance): Mr. Speaker, I give notice I will on tomorrow ask leave to move the house into a Committee of the Whole to consider certain resolutions respecting "The Loan and Guarantee Act, 1957".

ANSWERS TO QUESTIONS:

Hon. M. M. Hollett (Leader of the Opposition): Mr. Speaker, may I point out there are several questions on the order paper for which we have not yet received the answers. They have not been received nor tabled. I am wondering — We would like to get the answers very shortly.

Mr. Speaker: Hon. ministers concerned will please take notice of outstanding questions.

ORDERS OF THE DAY:

(Bills: 3rd Reading)

On motion the third reading of a Bill, "An Act to Amend the Life and Accident Insurance Licensing Act" is deferred.

Third Reading of a Bill, "An Act Further To Amend the Wild Life Act." Bill read a third time, and passed and title to be as on the Order Paper.

Third Reading of a Bill, "An Act To Amend The Notaries Public Act, 1957." Bill read a third time, passed and title to be on the Order Paper.

Third Reading of a Bill, "An Act Further To Amend the Welfare of Children Act." Bill read a third time, passed and title to be as on the Order Paper.

Third Reading of a Bill, "An Act Respecting The Payment Of Bounties On The Construction Of Coasting Vessels." Bill read a third time, passed and title to be as on the Order Paper.

Third Reading of a Bill, "An Act To Validate Assessments Made In The Towns of Harbour Grace, Placentia and Freshwater." Bill read a third time, passed and title to be as on the Order Paper.

Third Reading of a Bill, "An Act To Amend The Assessment Act, 1958." Bill

read a third time, passed and title to be as on the Order Paper.

Third Reading of a Bill, "An Act To Amend The City of Corner Brook Act, 1958." Bill read a third time, passed and title to be as on the Order Paper.

Third Reading of a Bill, "An Act To Amend And Consolidate The Law Respecting Boilers, Pressure Vessels and Pressure Plants." Bill read a third time, passed and title to be as on the Order Paper.

Third Reading of a Bill, "An Act To Authorize The Lieutenant Governor In Council To Enter Into Agreement With Anglo-Newfoundland Development Company Limited and American Smelting and Refining Company." Bill read a third time, passed and title to be as on the Order Paper.

Third Reading of a Bill, "An Act Further To Amend The Corrections Act." Bill read a third time, passed and title to be as on the Order Paper.

Third Reading of a Bill, "An Act To Amend The Labrador Lands (Reservation) Act." Bill read a third time, passed and title to be as on the Order Paper.

Hon. B. J. Abbott (Minister of Municipal Affairs and Supply): Asks leave to introduce a Bill entitled "An Act To Provide For the Development of Housing Accommodation". The Bill was introduced and read a first time. Motion was made that the said Bill be read a second time on tomorrow.

Hon. W. J. Keough (Minister of Mines and Resources): Asks leave to introduce a Bill, entitled "An Act to Amend the Unimproved Lands (Redistribution) Act, 1957". The Bill received first reading and will be given second reading on tomorrow.
Second Reading of a Bill, An Act Further To Amend The Local School Tax act";

Hon. J.R. Smallwood (Premier): Mr. Speaker, you will remember that when the School Tax Act was first passed (to the first number of people in and around Corner Brook) the Act provided that where the tax was imposed no school fees would be collected. Indeed the school tax was to take the place of school fees, the argument being at that time that the school fees would never be enough to finance education in Corner Brook, because of the fact that large numbers of persons would be paying no school

fees because they had no children in school. Therefore it was better to impose a tax, they argued, and collect no school fees. Therefore we made it the case, as we passed the Act here, that where a tax was paid, no school fees might be collected. Now, since then they have changed their minds again, and they want the right to collect school taxes and school fees as well.

The Attorney-General tells me I am talking about another Bill altogether — There are two bills. Is the other one ready? This is an entirely different Bill. I am sorry! I apologize to the house.

Mr. Speaker: We had better have the explanation from someone.

Premier Smallwood: Mr. Speaker, under existing legislation there is provision made whereby taxes may be collected by two ways, by way of a poll tax or by way of assessment on property. All this amendment does is to make provision that the greater of the two shall be applicable to the tax — That is all.

Hon. M. M. Hollett (Leader of the Opposition): Mr. Speaker, just a word on this School Tax Act. There has been a lot of hot air generated in Newfoundland, in certain sections of Newfoundland over this, in the last two or three years since the Act was promulgated; and I am wondering if perhaps there may not be some sections in that original Act which are not only severe but very severe. I have been told by various people in the western part of Newfoundland the Act is cruel, it is terrible. Now I don't think it is in order to talk about that at the moment. If the hon. Minister of Education looked at that Act again, perhaps he could see that there are some further amendments which may be made. Only a few days ago there was a case in court over this thing, and I do think in certain instances at any rate the tax is very high. This is only an amendment, of course, and we have nothing against it on this side of the house. We all agree, therefore, I should not say anything at the moment, but I do wish the government would take another look at the School Tax Act as it applied to western Newfoundland, the Corner Brook area.

Premier Smallwood: Mr. Speaker, I don't know if it is in order now or whether what I

said before is to be taken as said on the Bill — I was not speaking to this present Bill but speaking to another Bill. Perhaps it is in order now to speak to this Bill.

Mr. Speaker: By leave of the house we will allow the Premier to speak.

Premier Smallwood: It is strictly in order, Sir, as I did not speak to this Bill but spoke to another Bill. Therefore it is surely in order now to speak to this Bill.

Mr. Hollett: As long as you keep to the principle.

Mr. Smallwood: In reply to the hon. Leader of the Opposition, I may say the School Tax Act is not a government Act at all, it is an Act of the people of Corner Brook, and any changes made in it are the changes that are asked for by the people of Corner Brook, and brought into this house by us for the people of Corner Brook, with this distinction, however. We do not accept any suggested or requested changes without making absolutely certain at the time that it is the wish of the people of Corner Brook. We therefore consult with all the churches, all of them without exception, all the churches that are recognized in law for school purposes; and we make sure that they confirm completely.

We are not going to get ourselves in the same kind of trouble we did before by accepting the wishes of the people of Corner Brook only to discover, subsequently, that there was a minority, a very noisy, very active minority, who set out to defy the wishes of the great majority and tried to make this house, both sides of the house, the scapegoats in the matter. Anything we bring in now concerning the School Tax Act the house can take as representing the undoubted wishes of the country, including all the churches and all the schools. In the first place, the churches, who own the schools, are principally concerned. The whole business is theirs much more than it is ours. So, if the Leader of the Opposition is right, that the original School Tax Act, passed two years or three years ago, needs to be amended he should get that point across not to us, not even to this house but to the Community of Corner Brook, not the noisy, vociferous, irreconcilible minority who

hate the Act and will fight and oppose it as long as there is any hope at all of success. Their latest venture is getting, as their chairman, the Chief Justice of the Supreme Court. I don't know if the vigilantes had any say in this, but there is a notice in the paper today of their intention to tender the new Chief Justice a dinner because he is their chairman of something — I don't know whether it is of the vigilantes or not. They arranged the appointment of the chief justice — They may even arrange for Premiers and Leaders of the Opposition to be appointed.

Mr. Hollett: Mr. Speaker, may I interrupt the hon. the Premier, and say — he suggests we consult the community in Corner Brook. The government only consulted the churches. Where do we fit in?

Premier Smallwood: It is not so much a case of the government consulting the churches as the churches consulting the government. The churches, as the Leader of the Opposition so well knows, own every school in Newfoundland with two exceptions. One is the University, which is owned by all the people of the Province, through the government, or by the government in behalf of all the people. The other is the Vera Perlin School for Retarded Children. That is purely private. I think there is a third school operated by a Miss Furlong, I think for small tots. Therefore, there are three — the Winterton School. There may be several others, purely private, but with these exceptions all the schools in the Province are owned by the churches, and as the owners they have to be consulted. As owners of the schools, they have the right, surely, to be heard and to have their desires made known, and to a large extent (perhaps not completely but to a large extent) respected in any legislation that is passed in this house. And as the School Tax Act is passed only with the approval — and this fact is not too widely known — only with the approval of the churches, (one of which delayed its approval) we passed it. And I don't think the Leader of the Opposition ought to ask us to initiate any changes — If he wants changes made he should consult the churches and the community of Corner Brook, whose Act this is.

Motion, that this Bill be now read a second time, carried:

On motion, Bill read a second time, ordered referred to a Committee of the Whole House tomorrow:

On motion, that the house go into Committee of the Whole on various bills, Mr. Speaker left the Chair:

The hon. Attorney General moved the house into Committee of the Whole to consider the following Bill: Bill No. 11, "An Act To Amend The Urban and Rural Planning Act".

Hon. S. J. Hefferton (Minister of Municipal Affairs): Mr. Speaker, before we start might I reiterate what I said yesterday. This is not the Bill that was introduced recently — It is a reprint and contains certain changes.

Hon. M. M. Hollett (Leader of the Opposition): Would the minister explain why changes have been made?

Mr. Hefferton: Largely because of the larger areas being taken in.

Mr. Hollett: I do think it is injecting into it, if some governments were in power, not this one, some little politics; into the authority. I don't say they would think of doing it, but you know it is possible — I think you will find out as we go along.

Hon. J. R. Smallwood (Premier): Mr. Chairman, every government is political and everything that every government does is political. No government does anything that is not political. That is quite literally true.

Mr. Hollett: I take exception to that.

Premier Smallwood: Every act of a government is political. It cannot perform any act that is not political, all the actions are political actions, anywhere, all of them. Now, it is one thing to be political, and quite another to be partisan. Surely the Leader of the Opposition was not suggesting nor hinting that we would be partisan. What is the need of it? What is the need of our being partisan? We represent virtually all the people of Newfoundland virtually the whole population. Being partisan can only mean we are just representing the people.

Now, seriously, if a government foots the bill, it is only fair, it is only reasonable that it should appoint the people. It is responsible for these boards and should appoint, should have the right to appoint the board membership. In fact, our greatest regret is that, in one very important body, we did not give ourselves the right to appoint the chairman, and we have been regretting it ever since, and we think we are doing the right thing here. Most boards are appointed. I don't know how this particular board is appointed.

Mr. Hollett: Is it appointed by the government or the churches?

Premier Smallwood: No, the churches have nothing to do with roads and town councils. They only run the churches and schools. That is all they run. That is all they have the right to run. This has to do with town planning, and that is a public function which cuts across all the churches. I think the government should appoint the Board and see no reason why the government should not also select the chairman. The board is there to spend public monies. I agree, I don't see anything wrong with it.

Mr. G. Nightingale (St. John's North): Mr. Chairman, I represent St. John's North. There is a sewer in Mundy Pond which must be filled in eventually. If the government is going to help — and I can go back to City Council — I hope whoever represents the city on the Board will see this is done. Anybody who knows the city as I know it recognizes that nothing but a cesspool lies in front of a beautiful church and convent and school — nothing but a filthy stink hole which should be filled in, and promptly.

Premier Smallwood: This does not include the Municipal Council of St. John's. On Motion, Clause (4) stands. Motion, that the Committee report progress on this Bill and ask leave to sit again, Carried:

Hon. L. R. Curtis (Attorney-General): Mr. Chairman, I think most of the other bills have been read, and if we just perhaps report them as passed;

BILLS PASSED:

Motion that the Committee report having passed Bill 34 with some amendment, carried:

Motion, that the Committee report having passed a Bill, "An Act to Amend the Newfoundland and Labrador Corporation Limited Act, 1951," with some amendments, carried:

Motion, that the Committee report having passed Bill No. 31, without amendment, carried:

Motion, that the Committee report having passed Bill No. 35, with some amendments, carried:

Motion, that the Committee report having passed Bill No. 32, with some amendments, carried:

Motion, that the Committee report having passed Bill No. 47, with some amendments, carried:

Mr. Curtis: I move, Mr. Speaker, that the Committee rise, report progress on Bills No. 24, and 25, and ask leave to sit again. On motion that the Committee rise and report progress, Mr. Speaker returned to the Chair:

Mr. G. Clarke (Committee Chairman): Mr. Speaker, the Committee of the Whole considered the matters to them referred and direct me to report having passed the following Bills with some amendment: Bills Nos. 34, 38, 29, 30, 31, 35, and 47.

On motion, report received, Bills ordered read a third time on tomorrow:

Mr. Clarke: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and directed me to report having made progress and ask leave to sit again.

On motion report received, Committee ordered to sit again on tomorrow:

Mr. Curtis: I move, Mr. Speaker, that the remaining Orders of the Day do stand deferred and that the house at its rising do adjourn until tomorrow Thursday, May 14, 1959, at three o'clock.

On motion, all remaining Orders of the Day stand deferred:

On motion the house at its rising adjourned until tomorrow, Thursday, May 14, 1959, at three o'clock.

Thursday, May 14, 1959

(Afternoon Session)

The house met at three o'clock.

Mr. Speaker in the Chair.

Presenting Petitions:

Mr. W. Smallwood (Green Bay): Mr. Speaker, I beg leave to present a petition from the residents of Brighton. The prayer of the petition is for a new bridge. Now, Mr. Speaker, I am familiar with the condition of the bridge. It is approximately 400 feet long, and repairs have to be made. I strongly support the prayer of the petition and ask that it be laid on the table of the house and be referred to the department to which it relates. On motion, petition received.

Mr. E. Jones (Burin): Mr. Speaker, I beg leave to present a petition on behalf of the people of Burin Bay, Lewin's Cove and Epworth in the district of Burin, all within the municipality of the Town of Burin. The prayer of the petition is that the highroad leading from the Cottage Hospital in Burin to the intersection of the road at Burin Bay, a distance of approximately half a mile, which is in a state of extreme disrepair and at present constitutes a danger to vehicular traffic, be attended to this season. I think, Mr. Speaker, this is the second if not the third petition that has been presented in this house in connection with this same piece of road. There is no great amount of money involved. The petition is signed by over 200 people in the area. They point out that during last winter the road was in such a condition that the Department of Highways lost a bulldozer. In addition, this road is also used extensively by the workmen who go to and from the Burin Fish Plant. I beg leave to have the petition placed on the table of the house. I strongly support the prayer of the petition, and ask to have it received and referred to the department to which it relates.
On motion, petition received.

Mr. A. Mifflin (Trinity South): Mr. Speaker, I beg leave to present a petition on behalf of the residents of Charlottetown, Terra Nova and Bunyan's Cove, Port

Blandford. The petition contains 493 names. The prayer of the petition, Mr. Speaker, is that this government would undertake at the earliest possible date to have a regional hospital established in this area. The petitioners point out that at present, more than 800 people are living from 40 to 65 miles away from any hospital. I think the house would recall, Sir, the hon. member for Trinity North, and your humble servant expressed the great necessity for a hospital in that area somewhere, to serve Trinity North and Bonavista South. I heartily endorse the prayer of the petition and ask to have it laid on the table of the house to be referred to the department to which it relates. On motion, petition received.

ANSWERS TO QUESTIONS:

Hon. F. W. Rowe (Minister of Highways): Mr. Speaker, I have the answer to a question asked by my hon. colleague, the member for St. John's North (Mr. Nightingale). I don't understand the wording of the question, but it was about paving the road from Pouch Cove. What would be the cost of paving the road from Pouch Cove to Torbay? Mr. Speaker, the best estimate the department could give would be that the cost would be approximately \$700,000.

ORDERS OF THE DAY:

LEGISLATION:

Hon. L. R. Curtis (Attorney General): Asks leave to introduce a Bill, "An Act Further To Amend The Labrador Railway Act, 1948". On motion, Bill read a first time, ordered read a second time on tomorrow.

Mr. Curtis: Asks leave to introduce a Bill, "An Act To Authorize The Government of Newfoundland To Enter Into An Agreement With The Newfoundland Cement Company Limited and North Star Cement Limited." On motion, Bill read a first time, ordered read a second time on tomorrow.

Mr. Curtis: Asks leave to introduce a Bill, "An Act To Authorize the Government of Newfoundland to Enter Into An Agreement With McNamara Construction of

Newfoundland Limited And Canadian Machinery And Industry Construction Limited." On motion Bill read a first time, ordered read a second time tomorrow.

Mr. Speaker: I think I should inform hon. members that it is out of order for any hon. member to rise and walk around the Chamber while the Speaker is putting a motion.

Premier Smallwood: Mr. Speaker, is it not equally wrong to rise on any other occasion when the Speaker is speaking? Not only when putting a motion but at any time when Mr. Speaker is speaking, it is wrong for any one else to be on his feet.

Mr. Speaker: That is correct.

Hon. M. M. Hollett (Leader of the Opposition): Mr. Speaker, may I ask if it is not wrong for the Premier and the Attorney General to carry on a conversation while the Speaker is speaking?

Mr. Curtis: I say it would be.

Mr. Speaker: I have noticed on several occasions that hon. members have risen and moved around when the Speaker is speaking. This is very much out of order.

Hon. L. R. Curtis (Attorney General): asks leave to introduce the following Bills: A Bill, "An Act Further To Amend The Summary Jurisdiction Act."

A Bill, "An Act Further To Amend The Industries Act." A Bill, "An Act Further To Amend The Companies Act."

On motion, Bills read a first time, ordered to be read a second time on tomorrow:

Hon. W. J. Keough (Minister of Mines and Resources): asks leave to introduce the following Bills: A Bill, "An Act To Restrict Travelling Through Forest Lands". A Bill, "An Act To Authorize The Government of Newfoundland To Enter Into Agreements With M. James Boylen." On motion, Bills read a first time, ordered read a second time on tomorrow.

Hon. C. H. Ballam (Minister of Labour): asks leave to introduce a Bill, "An Act Further To Amend the Apprenticeship

Act." On motion, Bill read a first time, ordered read a second time on tomorrow.

THE FROBISHER ACT:

Second Reading of a Bill, "An Act To Amend The Frobisher Limited (Confirmation of Agreement) Act, 1955."

Hon. W. J. Keough (Minister of Mines & Resources): Mr. Speaker, it was thought it might not be necessary to proceed with this, but the legal people in the department of the Attorney General decided it was necessary in order to tidy up the wording. In 1955, the house authorized a concession for Frobisher Limited in the Labrador, but it was in three locations, not contiguous. The concession was for 500 square miles; and the pieces or areas were described in the agreement, (a) (b) and (c). Frobisher had exclusive exploration rights for three years, and was required to spend \$25,000 a year on exploration work, and had the right at the end of the period to not in excess of 50 square miles of territory for development. Now, that concession is due to expire April 5, 1958. I may tell the house that by March 1958 the company had spent \$159,000 in exploration of the areas, about twice as much as they were required to do, and before the expiration the company exercised its right to select. Then they asked the Government if they would continue to concession the area for one more year, to April 5, 1959, one area of the concession only, which was area (a) of the concession, which was 94 square miles in extent. Apparently there are some interesting indications there, and they wish to have another look. The house was not in session at the time and the government did not think it necessary to take the time to bring the necessary legislation before the house on the particular area in question. Frobisher explored that territory last year in conjunction with BRINEX, and the date for taking up the territory had expired and they had not moved to take up any additional time — and the legal conditions for allowing an extension of the concession of 94 square miles for an additional year was accomplished through the proviso that an additional \$20,000 would be spent on exploration. I think that about covers it, Mr. Speaker, and I move the second read-

ing. On motion, Bill read a second time, ordered referred to a Committee of the Whole House on tomorrow.

MEMORIAL UNIVERSITY ACT:

Second Reading of a Bill, "An Act Further To Amend the Memorial University Act."

Hon. J. R. Smallwood (Premier): Mr. Speaker, there are two particular purposes in this Bill. Section (2) would repeal part of the existing Act and substitute something else, merely to grant to the University the power to invest funds, the same power that a trustee has in the Trustees Act — the house might be familiar with that. We think the University ought to have the same power that a trustee has in the Trustee Act, to invest University funds — and that is what section (2) does. Sections (3) and (4) ought to be read together. Section (3) would amend paragraph (f) of subsection (1) of the University Act of 1952, where the Board of Regents is given a great many powers — if the hon. Leader of the Opposition would follow carefully he would see that the Board of Regents in the original Act, (on page 375, Vol (2) of the Statutes, the Revised Statutes of 1952) — have the power to make rules and regulations pertaining to the Board and from time to time and at all times to have exclusive power and authority to exercise in the name of, and for the benefit of, the University Act, as the agent of the University in all or any of the powers attributed by this Act.

That is pretty sweeping powers for a Board of Regents. Then again, they have power to maintain and keep proper order and conduct and maintain such real property as may be necessary for the use of the University and erect and maintain such buildings and structures thereon as is considered proper and necessary. Also they have authority to let out and expend such sums as may be deemed necessary for the support and maintenance of the University etc., etc.; to improve the existing buildings and the erection of new buildings as the Board may deem necessary etc. Then again, to let out and expend such sums of money as it may be expedient for erection, equipment and furnishings and maintaining of residences for members of the staff of the University

etc. Then we come to the one we presently would amend. Again referring to the Board of Regents: It shall have the following powers: To appoint the president of the University, all the faculty, the librarian, the registrar, bursar, the professors, assistant professors, lecturers, demonstrators and other teachers in the university, and fix their salaries or remunerations and define their duties and their tenure of office or employment; which, unless otherwise provided, shall be at the pleasure of the Board etc.

Now, the Act for 1952 goes on and ends with this: The exercise of the powers given to the Board by paragraphs so and so, including (f), shall be subject to approval of the Minister of Education. All these powers conferred upon the Board of Regents, in the Act of 1952; insofar as they are referred to in paragraphs, (c) (d) (e) (f) (m) (o) (q) and (r), are subject to the approval of the Minister of Education, but that clause, for some unknown reason, was stricken off in a subsequent amendment to this Act. In fact, the present amendment is restore, not precisely these words, but to restore it in respect only of the chief executive of the University, the head of the University. This present Bill would remain paragraph (f) but we will strike out the words "president of the University". Now, as I have said, that clause gives the Board of Regents power to appoint the president of the University, all the faculty, the librarian, registrar, bursar, professors, associate professors, lecturers, instructors, demonstrators and other teachers and all such officers, clerks, employees and servants of the Board — all these. Now we propose to amend that by striking out only the words "president of University" so that the Board of Regents continues to have these powers over all the others, all except the president; and the appointment of the president will lie in the government.

The words in paragraph 3, "president of the University" would be stricken out. Now paragraph (4) says that this would be added: "There shall be a president of the University who shall be appointed by the Lieutenant-Governor in Council, in consultation with the Board" — (that is with the Board of Regents). In other words, both of these amendments propose to (a) remove the appointment of the president from the Board of Regents leaving to the Board of Regents all other appointments, (b) every-

thing else connected with the University would be left to the Board of Regents, but the appointment of the president would be made by the government of the day, whoever they happen to be, but in consultation with the Board of Regents.

Now, I may say that since the University was created, there has been only one appointment of a president. That is to say that the present president is the only president the University has ever had since it became a University, and he was appointed by the present government, and not, I think, by the Board of Regents. As a matter of fact, I don't know exactly — (I do know this: Sir Albert Walsh was Chairman of the Board of Regents, and he and I together selected the president of the University, and that is how he came to be president). Now this amendment restores to the government of the Province the right to select and to appoint the chief executive of the University, and whatever staff the University, (which has to have a staff of several hundred and it is pretty close to that now), whatever staff the University has, with the exception of the chief executive, will remain the responsibility of the Board of Regents. But the selection and appointment of the president, the chief executive of the University, shall be made by the Lieutenant-Governor in Council, in consultation with the Board.

Hon. M. M. Hollett (Leader of the Opposition): Mr. Speaker, before the Premier sits down, may I ask a question? Who appoints the Board of Regents?

Mr. Smallwood: The appointment is made by the government of the Province. The selection is done in accordance with the Act. It is to a large extent that formal. Now informally, all the respective major religious denominations are requested by the government to submit suggestions. For instance, if there are three appointments and they are to represent three major religious divisions of our population, the heads of these three would be asked to suggest three names each. That would be nine names, but only three are to be appointed. In other words, one denomination, knowing there was to be one appointment, would give the names of three. The government in that case would almost certainly select the top name of the three. Another denomination,

knowing there was to be one appointment would submit the names of three, but normally the government would select the top name. But if there was one that the government did not like and there were two others also recommended by that church, we would feel free to select one of the other two.

Mr. Hollett: The Government have done it.

Premier Smallwood: We have done it — not too often.

Mr. Speaker: Order! I am glad to see the house in such good humor.

Premier Smallwood: The section of the Board of Regents from the commencement has been done most suitably. I think it will be agreed that in Sir Albert Walsh there was an excellent chairman, and in Mr. King the vice-chairman he has also been an excellent man. Virtually, without exception, all members of the Board of Regents have been very prominent and exemplary citizens who do command the respect of the community. If it were not so, we would not be prepared to leave it in the hands of the Board to select and appoint all the deans and faculty. In the first instance, only a few of the universities across Canada are like our University, the property of the government of the Province. Most universities are the property of churches or foundations or public bodies over which the government of the Province have but little control. There are some universities other than ours that are owned by the government of the Province, and in those provinces the practice is, in some cases, for the government to select and appoint the president and in others it is the Board. We think perhaps in our case, it should be the prerogative of the government to appoint. Now, we don't anticipate having to exercise that authority for many years, perhaps never in our life, but some day the government of our Province will be faced with the situation where another president will have to be selected. And we think it should be the government of that day, whoever they are, who should select the president. Motion is that this Bill be now read a second time.

Mr. Hollett: Mr. Speaker, I must say as I

listened to the hon. the Premier, I noticed he was slightly worried. I have been to university in the past, a long time ago now, but I have never been to one that had a political appointment. I venture to say now that any university which is presided over by an appointee of the government of the day has a very poor chance of becoming the success it was intended to be.

I have nothing against the appointment in many cases, but to a university or school or anything connected with education, I think it ought to be set up as far as possible from politics. If it is going to be a political appointment, what is to prevent the opposing party from firing the president appointed by the government?

Premier Smallwood: The law protects.

Mr. Hollett: This law cannot prevent it. In the first instance the Board of Regents are appointed upon the recommendations of the various denominations, under the set-up in this country. I realize this is something which has to be. The various organized religions recommend certain names and the government would have the right to reject that person's name. I would not say on political grounds, but perhaps for other reasons. Under this agreement, the government has the authority to appoint the president of the University, over the Board of Regents, a political appointment, be it Liberal or Tory. I don't care if he were a saint, if it is a political appointment he will not be in favour with a good many people who have opposed it politically; and it is not in the best interest of any college or university. It would not be on par with a judge of the Supreme Court. He must give the law according to the statutes and interpret that law, and therefore such an appointment by the government makes no difference, if appointed by a Liberal or a Tory — He simply reads the law. I raise the objection and I cannot agree with the amendment. I don't think it is essential — necessary. The Board of Regents are appointed on the recommendations of the religious denominations.

Premier Smallwood: Not the whole Board. The government appoints them all, except for the few that are selected by the Senate.

Mr. Hollett: At any rate, under the Old Act

the appointment of the president is the function of the Board of Regents; and they are recommended by the various religious organizations. Surely goodness, they can be trusted to select the best man in their own circle. I don't think that the government be it Liberal or Tory or the new party that may be here when I am gone and we are all gone — I don't think the president of the University should be appointed in any such manner.

Now, it was only yesterday — and I was sorry to hear the statement made by the hon. the Premier yesterday, relative to the non-success of the University. I am quite sure he is speaking from facts. I have not had an opportunity to go into the statement he made, but I am quite sure he knows exactly what he is talking about; and I am sorry to hear it. I am wondering if the reason for that non-success during the past 10 years of the University might not be possible interference by the government. I just say that to show what could happen, be it Tory Government or Liberal Government or what-not, it could happen. I feel sure of that and I must oppose the principle therein involved. I think the president of the University is somebody who must not be connected at all with politics. In that University you have 1000 or more students, and it is a known fact that among these students if the president, Mr. John Jones, is an ardent Tory, if you like, or a Liberal, which he will be if a new president is appointed soon; it does not tend to generate possibly the right kind of feelings among the students.

I feel, Mr. Speaker, that the government is not doing exactly the right thing there; and I would like to recommend to the government that they let the thing stand and check it over. A man appointed as president of the University would be a good man, who would be undoubtedly able to fill the position with great merit, but the fact that it is a political appointment, Sir, is objectionable to me. I don't think it is right. I don't think it is starting off on the right foot, to get the university well founded here in Newfoundland. If we have not had success in the past, we will have less in the future if we pass this legislation. I do, Sir, raise the objection and cannot agree with the principle involved.

Mr. A. M. Duffy (St. John's Centre): Mr. Speaker, I must agree with the Leader of

the Opposition. It seems to me a position of great importance, and I don't think it is a case to parallel the case the Attorney General mentioned, or any such parallel. I think a university should be completely removed, as far as possible, from any political influence. It seems to me the Board of Regents or Board of Governors, in a similar case, would be the ones that would have the most knowledge of the proper selection of the president or chairman, as the case might be. It seems to me to be a step not in the right direction. As to other universities, as the Premier mentioned, not many of them are government owned, and in the very method as employed by other universities I am sure the election in 99 cases out of 100 is purely on qualifications for the position.

We had an instance yesterday, of the University, unfortunately, being criticized for its extension work. But, Sir, I would suggest that even 10 years is not a very long time to set up a proper extension department. There must be difficulty in getting qualified, properly qualified men for the job, I imagine. It took Sir Francis Xavier more than ten years before their extension department was set up. This is merely an indication that it is dangerous, in my opinion, to have any possible political interference — although this government may not exercise this with any political intent, nevertheless there is a danger. If any government has the powers and authority to appoint a president it will be looked upon, in my opinion, that it might very well be exercised the same as other institutions in Newfoundland where the government appoints a president or chairman etc. I think it would be detrimental, and more so in education than in any other field. We all realize it can be political and the reigning powers do make their appointments not necessarily on qualification. We have many cases where qualifications were secondary considerations for appointment. If that should happen in the University, I am very much afraid it will be setting us back many, many years.

Hon. L. R. Curtis (Attorney General): Mr. Speaker, I think the house can discount any possibility of any government making the appointment on the basis of politics, in fact, the present president was appointed by the present Board of Regents in conjunction with the present government. That will

show there was no politics because I don't think the present president of the University had any politics — Certainly he was not looked upon as a Liberal. But he was appointed by the Board of Regents in consultation with the government and by arrangement with the government; because the government did discuss and fix his salary, did discuss the pension rates and all these things. This was all done by the government in the present instance. And the very fact that the present president was appointed with and through the government shows that there would be no politics.

Mr. Speaker: If you would allow an interruption — Could the Attorney General tell us why the necessity for the change? Why the change? The Board of Regents did it in conjunction with the government before, why can that not stand?

Mr. Curtis: Well, Mr. Speaker, 20 years ago the then Minister of Education found he had to take steps to appoint every member of the staff of the University, and it was quite a chore, and a chore about which he had no particular knowledge. He had to accept the recommendations of the Board anyway. You will remember that the section provided no promotions should be made nor no appointments should be made to any position except on the recommendation of the president and had to have the minister's approval in all these cases. Now the president has to nominate every one, you see. If you remember reading the section referred to, the president, the Board of Regents shall appoint the president, all faculty, librarian, etc., professors, assistant professors, lecturers, instructors, demonstrators and other teachers etc. and all such office clerks and employees and servants of the Board, as the Board may think necessary.

Mr. Hollett: That is the Board of Regents!

Mr. Curtis: Fix their salaries or remunerations. But when that was drafted all these powers had to be exercised with the approval of the minister — subject to the approval of the minister. It is also provided that no member of any teaching staff shall be promoted and no member of any teaching staff shall be removed except on the recommendation of the president. So that

really the president is the man in the University, and for that reason you want to have in his job the very best possible man that you can get.

Now, I do know in such appointments the larger the body consulted the better. I know for a fact how difficult it was to find the president of the University when we appointed the present president. I know the Prime Minister (Premier) went up and down Canada looking for a suitable man. I know that at his request I went to Montreal and to Ottawa to try to find someone who would be a suitable president. Instead of the president being appointed for political purposes, it seems to me the politicians are going to have to go about seeking a president. That is what is going to happen. The shoe is on the other foot. The president has not been appointed for political purposes but the politicians have drawn on the colleges and universities to get them. I went through the various Acts, Mr. Speaker, of the universities of Canada that are owned by the provinces; and most of those owned by the provinces have their president appointed by the Lieutenant-Governor in Council. I can state that for a fact. I know definitely that Saskatchewan does it.

Mr. Hollett: The government confirms it only?

Mr. Curtis: No, they do it entirely. They don't consult anyone. They have the right to appoint.

Mr. Hollett: That does not make it right.

Mr. Curtis: It shows, Mr. Speaker, that what we are doing is not original in any way. It is not an exception, it is the regularly recognized thing to do. And here we are as a Province about to spend a huge sum of money, \$25 million on the University; and it is not only fair and proper that the government should reserve the right to see that the very best possible selection is made? The Board of Regents is a very restricted body. I suppose, of the Board of Regents, very few of them have ever gone outside Newfoundland. They are mostly local men who have their business contacts. You have none who are in touch with other provinces, in touch with other ministers of education, with other Prime Ministers, who are in touch

with all those who are in the know. I know this personally & I discussed the matter with the Chairman of the National Youth Council in Ottawa. And I would suggest to my hon. friends, Mr. Speaker, if you have in the government people who are in touch with other provinces, in touch with other ministers of education, in touch with other Prime Ministers, who in touch with all those who are in the know in Canada. I would suggest to my hon. friends, Mr. Speaker, that members of government are much more able to make contacts than any members of the Board of Regents would be and therefore, if matters were not left in the hands of the Senate and Board of Regents, you would have a much better chance of having a good selection. I don't think I need refer, Mr. Speaker, to the other sections of this Bill. One section gives the University the right to invest money in trust investments. They should have had that right long ago.

Mr. Hollett: Who are the University, when you say they should have the right to invest?

Mr. Curtis: The Board of Regents, up to now they have limited investment. It is only right. A fund was left to them, at 3%, and the scholarships to be awarded had to be discontinued for a number of years due to lack of funds, whereas had they been able to take part in any investments that are gone into by governments and in trustee investments, they could have had these things. This is very necessary if they are to get the best yield, the best returns from their funds.

Premier J. R. Smallwood (Premier): Mr. Speaker, I am afraid the Opposition have given very little thought to this Bill.

Mr. Hollett: I received it only a few minutes ago.

Premier Smallwood: I am afraid the Opposition have not given very much thought to it, and I believe if they gave it more thought than they have done they would take a different position here as to a University which is the property of the Newfoundland people or the property of the government in behalf of the Newfoundland people. It is going to cost the government, the Newfoundland people and government, a

million dollars a year, and it won't be many years before it is much more than a million dollars a year that will have to be voted by this house every year. It is one and a quarter and it won't be long before it is one and a half million a year, which is three times as much — three times as much — as the whole Bill for all education, under all heads, 20 years ago. The University alone will cost three times as much as all education did in Newfoundland about 20 years ago. And that will have to be voted by this house.

Now, the government already appoints the Board of Regents — it is true some of them, a minority of them — The Board consists, you see, of nineteen members, and the minority of the nineteen are appointed on the recommendation of churches — Even there, the government have some choice in the selection of the representatives of the denominations because we would not accept just one name from any of them. The Chancellor of the University is one of them. We appoint him. The Chancellor, Lord Rothemere, is appointed by the government; or whoever he is. Whoever is Chancellor is selected and appointed by the government of the day. Two members of the Board of Regents are selected by the convocation (two) and 15 are appointed by the Lieutenant-Governor in Council. Then the Chairman of the Board of Regents is selected and appointed by the government. He is selected by the government — selected as well as appointed. We select the president, the chairman; the vice-chairman, however, is selected by the Board of Regents — They select their own vice-chairman.

We have all possible confidence in the Board of Regents. I want that to be clear. We have, the government have, and I believe that the house has all confidence in and respect for the present Board of Regents so much so that in amending this Bill, without reference to the Minister of Education, we left to the Board of Regents all jurisdiction and all authority to appoint all the faculties. They continue to have that power, and the librarian and registrar and bursar. They continue to have that power, all associate professors, all professors, and lecturers and instructors and demonstrators and other teachers, all these continue to be appointments of the Board of Regents, the selection of the president of the

University and appointments of the Board of Regents. All we are proposing to do is to take from the Board of Regents, in part, but only in part — and I would like the house to note that — only in part, to take from the Board of Regents the appointment and selection of the president. Because, although that was given to the government, the government must do it with the consultation of the Board of Regents. In other words the Board of Regents, for whom we have every possible respect, appoints every person connected with the University, with only one exception and that is the exception of the president.

Mr. Hollett: What is the tenure of office?

Premier Smallwood: There is no tenure — There is no way you can do it. He is there until he dies or retires, reaches the age where he is more happy perhaps to have a pension than to continue in office on his salary — Like the Supreme Court Judges, there is no time limit. There may be a retirement but there is no way in which the government can get rid of the president of the University — but there may be a retirement age, which is automatic. I would like the house to take note that every appointment on the staff of the University, with one sole exception, is in the hands of the Board of Regents. As to the president, even in his appointment they have to be consulted. Now that is the case in Alberta. It is the case in New Brunswick. There too it is the government of the Province that appoints the president of the University.

Mr. Hollett: All others are appointed on the recommendation of the president?

Premier Smallwood: By the Board of Regents. The Board of Regents appoints every member of the staff, academic, clerical, every secretary, janitors, and the like are appointed by the Minister of Public Works but all the office, clerical and academic staff are appointed by the president of the University and the Board of Regents, and the Board of Regents are also to be consulted in the appointment of the president — but the appointment of the president ought to be the prerogative of the government.

Mr. Hollett: All the others are Newfound-

land government appointments, on the recommendation of the president.

Premier Smallwood: The present president was appointed by the present government. He has selected and recommended scores and scores of appointments to the Board of Regents. Does the Leader of the Opposition sincerely think the government ever had anything in this wide world to do with the naming of the people or selecting of the people who were recommended to the Board of Regents by the president? Does he think that president Gushue has in any instance, in any shape or form, been influenced by the government in the selection or recommendation of the members of the staff? No. That has been the case for 10 years. Is it because the government of New Brunswick selected Colonel MacLeod as the present president of the University of New Brunswick that they therefore determine who is to be appointed to the staff?

Mr. A. M. Duffy (St. John's Centre): It means the most important appointment in the University can be a political appointment, in other words?

Premier Smallwood: If the Premier of New Brunswick were so stupid as to do a thing like that — and perhaps he could do it and get away with it for a while — if the Premier of Alberta were similarly stupid and wanted to reduce the office of the president of the University to a low political level, perhaps he could do it and get away with it for a while. And if the Government of Newfoundland wanted to do it, and this Act passed, if it passed and becomes an Act —

Mr. Hollett: Surely the Board of Regents is a better judge of the president's qualifications than is the Cabinet?

Premier Smallwood: No, all the Board of Regents are appointed by the Cabinet. Does that make them better able to select a president? The Cabinet is able to select a chancellor, a Board of Regents, but suddenly the Board of Regents we have appointed are better in some way or another to select and appoint a president.

Mr. Duffy: The Board of Regents should be qualified to select a president.

Premier Smallwood: Quite! Sure! If that were the whole point. The Board of Regents are busy men —

Mr. Speaker: Order — I think any member who wishes to interrupt should rise and ask leave of the person who has the floor.

Mr. Duffy: Mr. Speaker, may I ask the Premier one question? In the selection of the Board of Regents in the past, business men, apparently they are not selected on their qualifications, but at least qualifications of educational standards are taken into consideration. Men I have known who are on the Board of Regents are men of scholastic attainment and qualifications. I presume that is one very good reason why they are appointed. You don't have illiterate men on the Board of Regents of the University.

Premier Smallwood: The men we have on the Board of Regents, with the exception of the minister from the Department of Education — we have Dr. Frecker, deputy minister of Education, who is on the Board as the direct representative of the government. Except for Dr. Frecker, the representative for the department of Education, (whoever he may be), you don't select the members of the Board of Regents because of their academic and scholastic attainments. I would not say that it is given no thought at all, but that is not primarily why they are chosen — You don't pick men who are all university men, with university degrees, men with the doctorates and masters degrees and all the rest of it. No. What you need to do is — and if you don't do it you go very wrong — In a place such as Newfoundland, what you need to do in selecting names to constitute the Board of Regents to operate that University is to pick men who ordinarily are not highly exceptional but well educated men; men who have this qualification that they are reputable citizens; that they are representative of the citizens; that they know and understand Newfoundland. And their main function, I would think, is to keep the University from becoming just an "ivory tower". If you have a Board of Regents made up entirely of men who are themselves highly educated men, university men, and men of a scholastic type of note, then the University is apt to become just an ivory tower. But if you have men

selected as ordinary, well educated men and well informed men, a bit cosmopolitan, a bit sophisticated, but practical men, Newfoundlanders, because this is a Newfoundland University, and if it is to serve Newfoundland it should be operated by practical minded Newfoundlanders — let the staff, the faculty be as academic and scholastic as they like. Now the government has the responsibility to select that Board of Regents.

Mr. Hollett: They are selected by the denominations?

Premier Smallwood: I have already told you that.

Mr. Hollett: I know what you told me, but I don't believe it.

Premier Smallwood: What is it the hon. gentleman does not believe?

Mr. Hollett: I am trying to say this, Mr. Speaker. If the United Church if you like, or any other denomination recommend Bill Smith or John Jones to the Board of Regents, the government are going to have to appoint him, nine times out of ten.

Premier Smallwood: One out of three.

Mr. Hollett: I do say this — neither the Premier nor the Attorney General has as yet answered the question as to why the change. Why make it a political appointment? They have not answered that yet. I presume the appointment is to be one of the Cabinet, when the present president resigns.

Premier Smallwood: I asked him to tell us what it is he did not believe or could not believe? What is it you cannot believe?

Mr. Hollett: I can't believe the Government would turn down any recommendations made by the churches to the Board of Regents; therefore they select them.

Premier Smallwood: I will tell my hon. friend — and then he will know as much as I know — before the Board of Regents, consisting of 15, 16, or 19 members — now I hope he will never make this mistake again — he is making a serious mistake.

Mr. Hollett: The government is making the greatest mistake in its life, in 10 years.

Premier Smallwood: There are 19 members of the Board of Regents. Now, if the hon. member imagines, as he appears to do, that these names are all handed to the government by the churches and we just appoint them, then he is making a very serious mistake. Is that what he imagines? No. Well, that is what he appears to imagine. That is what he appears to find difficult to believe; that we would reject the recommendations of the churches. Now let me tell him the facts; The facts are that nine or perhaps seven or eight represent the churches. How do they get to represent the churches? I will tell the hon. gentleman how it is done. Let us imagine there is a vacancy tomorrow, or there was one yesterday, or next year in the Board, and the vacancy is created by the retirement or death of one who went there when he did as a representative of some particular church. To fill that one vacancy the government would ask the denomination concerned if they would care to recommend some names of persons they thought should be able to fill that vacancy. The denomination in question would give three names. We would ordinarily take the top name but not always, as the hon. gentleman's own colleague says, not always. There have been times when we took the second or the third name in the list. Why not? The total number that all churches of Newfoundland have as representatives, out of the 19 are seven or eight. And we do accept the recommendations of the churches of those names; and the churches are interested enough not just to hand in one name but recommend the names of several citizens. The government has the free choice of picking one name from those lists. The rest are selected by the government. We look around; we try to make them representative. We go to the Royal Canadian Legion and ask them to recommend a representative of the Legion. They too would be courteous enough to give three or four names, and we would pick one name from among them. We would ask the Federation of Labour, representing the labour movement, for recommendations and from those names they recommend we would select one name. I don't know if we ask the Board of Trade, I am not sure; but we do try

to make the Board of Regents representative — and it is we who do that.

Mr. Hollett: Could you give the names of the present Board?

Premier Smallwood: No, I could not do that. Mr. Claude Howse is there. I imagine he is there, probably, elected by the Senate — The convocation is entitled to select two. Mr. Puddester, the Deputy Attorney General is a member of the Board of Regents. I imagine he is probably there as one nominated by the United Church of Canada. Mr. Gordon Winter is, I believe, the vice-chairman and I believe possibly he was one of those selected by the Anglican Church. Dr. C.L. Pottle present superintendent of the St. John's Mental Hospital. I dare say he represents the United Church. W. J. Lundrigan, he may have been chosen by the convocation. W. J. Lundrigan of Corner Brook is there probably selected by the Salvation Army. He is a prominent member of the Salvation Army. Mr. Harold Pollard, who is the Secretary of the United Church Board of Education, Fabian O'Dea, who, I believe, is one of the names submitted to us by the Canadian Legion; and we choose him. Dr. Nigel Rusted, I don't know what he represents. But that is the type of men we have on the Board of Regents and that is the Board of Regents we appoint; we selected most of them and they appointed every member of the staff except the president, under this legislation.

Mr. Hollett: One Tory — an astounding position for the hon. gentleman to take.

Premier Smallwood: That is not true. The hon. gentleman does not even know his own friends and supporters. That is not true, and even if it were true let him take up that matter with the convocation that elected two of them, or the churches that recommended the names from which we chose them. That is not true. Now the present Lieutenant-Governor was a member of the Board of Regents when he became Lieutenant-Governor, we appointed him. Mr. Derrick Bowring was, or is, a member of the Board of Regents; I am not sure. That is all I remember. There are 19, I have given nine, fewer than half of the members. It is disgraceful for a responsible public

man in this house just to write off the Board of Regents in those terms, when in fact they are good public citizens.

Mr. Hollett: I was not criticizing the Board of Regents but the names given me, eight or nine.

Premier Smallwood: One Tory, he said.

Mr. Speaker: Order! I must say this debate has been out of order for a considerable amount of time this afternoon, and I must ask that the rules be more strictly abided by.

Premier Smallwood: Mr. Speaker, I think perhaps I have said all that needs to be said. We think that we have the responsibility for selecting and appointing the president. There is a young man there now, at the moment, as president. There is no law as to his retirement that we have heard of, and so far we have not heard any rumors of his retirement; but we do think that whoever is in office in Newfoundland, that government should have the right to select the chief executive officer of the University, which is the property of Newfoundland, which is the property of the people of Newfoundland, and is going to cost a minimum of \$1,000,000 a year and perhaps \$1,100,000 this year, and that amount will climb rapidly until it is \$1,500,000 a year. Well, if the government foots the Bill, provides the University, appoints the chancellor and the Board of Regents, it is also capable of appointing the president, just as capable as the government of Alberta and as the government of New Brunswick or the government of any other province that selects and appoints the president of the University.

Mr. Hollett: Mr. Speaker, I came in rather late, I wonder if the hon. the Premier would think the appointment of a president by the government would be good for the morals of the University? It is quite true, as the Premier said, the government is quite capable of appointing a president and have, in a material sense, the right to do so, but the success of the University might depend on the morals that would result from the position of the appointment of an appointee of the government.

Premier Smallwood: The present government appointed the present president of the University, and the present government of New Brunswick appointed the present president of the University of New Brunswick and the present government of Alberta appointed the present president and his predecessor of the University of Alberta, and that has not resulted in any deterioration of morals.

Mr. Speaker: Order! I am sorry to interrupt the hon. member, but he cannot make a speech.

Premier Smallwood: The title to the University, to the present buildings are in the name of Her Majesty, in Right of Newfoundland, and acting for Her is our Minister of Public Works, the hon. member for St. Barbe, (Mr. Chalker). The title is vested in the hon. member for St. Barbe, representing Her Majesty in Right of Newfoundland, and title of the University, once paid for, will be the same; will be in Right of Her Majesty through Her Minister of Public Works, and he will be responsible for the upkeep of the buildings and providing janitors and firemen and looking after the grounds and all the rest of it. Mr. Speaker, I am extremely sorry the Opposition have taken the position they have taken. They must be desperately looking for an issue. I would put it this way. What has been said, with the exception of one or two things said by the Leader of the Opposition, appears to be reasonable but one or two things the Leader of the Opposition has said suggests to me that he is trying to convey the impression that our bringing in this amendment leaves, in some way or another, which he has not defined, the vague suspicion there is some kind of partisan, some kind of political dodge on our part.

Mr. Hollett: It leaves the door open for that.

Premier Smallwood: He repeats that it leaves the door open for it. Every time the Parliament of Canada passes a law saying that the position of Chief Justice of the Supreme Court of Canada and Chief Justice of every Supreme Court or Superior Court across Canada which has been filled by the government, leaves it open to the same sug-

gestion — But who would suggest that the filling of the offices of Chief Justices all across Canada that the practise has not been, up to this moment, to select reputable lawyers of good standing?

Mr. Hollett: Yesterday's statement may be construed that way, Mr. Speaker, as a sequence of the attack on the success of the University, and then this question today which leaves a kind of sequence of thought.

Premier Smallwood: Not necessarily connected, not at all necessary. I am surely entitled to express how I feel. Surely this house, which has been finding millions of dollars for the University and now proposes to pay out many more, surely, if we feel discontent with the progress of the University it is not only our right but our duty to express it. Now what has that got to do with the government having the right to select the chief executive officer of the University?

Mr. Hollett: It leaves it open to question. Motion, that this Bill be now read a second time, carried.
Opposition voted "Nay".

HOUSING:

Second Reading of a Bill, "An Act To Provide For Development of Housing Accommodations."

Hon. S. J. Hefferton (Minister of Welfare): Mr. Speaker, may I point out first of all, in moving second reading of this Bill, that this Bill is the replacement of an existing Bill on our statutes today. That is being done for various reasons. First of all, the scope of this Act is a bit narrow and restricted in meaning and compilation, and consequently this new Act takes its place, under another name. The Slum Clearance Act is a bit narrow and restricted in meaning and compilation, and consequently this new Act takes the place of the Slum Clearance Act, under another name, because, as I just pointed out, it is more than ordinary Slum Clearance. There are certain amendments and modifications in this new Bill, over and above those contained in the original Act. One of the many features of this particular Bill is that it enables the appropriate body to enter into

contract and negotiations for building projects outside the ambit of the Housing Act, housing contracts to be negotiated for the building of houses which may possibly be of a lower standard than that which is compulsory under the National Housing Act. During recent years, particularly during the past two or three years, certain contracts have been underway for the building or possible building of houses in certain sections of the Province; for fishermen for instance, where it is not possible and even desirable that the minimum standards which are emphasized and made compulsory in the National Housing Act should be required. For the building of certain houses, it would serve the purpose just as well and yet could be on a lower standard and of a lower price than those called for under the present set up. That is one of the main purposes of this Bill, to allow that sort of thing to be done.

The Bill also gives the appropriate minister the authority to expropriate land for the carrying out of building housing projects when such projects are desirable and reach the stage where land becomes necessary in order that the projects might be carried on. Presently in the expropriation of land for new buildings there may be bits of land which are not required under the zoning planning plans for building purposes and this allows the appropriate minister to use these lands for other purposes, for instance in new building projects. Of course, there must not only be provided land for building of houses but there must be land for parking lots, parks and, of course, any other purpose which makes for an all-around development. These are the main features of this particular Bill, Mr. Speaker. There will be certain questions, probably, which hon. members of the Opposition may raise, and I will try to deal with these individually as they are brought up in committee stage. On motion of Mr. Hollett, debate on second reading adjourned.

A bill, "An Act Further To Amend The Life Insurance and Accident Insurance Act."

On motion of Hon. M.P. Murray (Minister of Provincial Affairs) and with consent of the house, Bill ordered recommitted to Committee of the Whole House.

On motion that the House go into Committee of the Whole on Bill, "An Act Further

To Amend the Life And Accident Insurance Act."

Mr. Speaker left the Chair.

G. R. Clarke (Chairman of Committees):

Mr. Murray: Mr. Chairman, my reason for doing this, is that it appears that it was recommended, among other things that the licensing of agricultural societies that sell life and other forms of insurance, when licensed should also pay a license fee. Since this Bill was in Committee before the Superintendent of Insurance has been in contact with us, they have expressed what in their opinion they would recommend, to cover these types. I have the proposed amendment, which will bring all these people who sell accident insurance and all types of accident insurance, and which sell these investment certificates under the Act, so that they would pay (if they sell insurance) the license.

On motion Clause (2), as amended, carried. Motion, that the Committee rise and report having passed this Bill with some amendment, carried. Mr. Speaker resumed the Chair.

Mr. Clarke: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and directed me to report having passed Bill No. 36, with some amendments.

On motion report received, Bill ordered read a third time on tomorrow.

On motion that the house go into Committee of the Whole on various Bills, Mr. Speaker left the Chair.

On Motion Bill No. 26 passed without amendment.

On motion Bill No. 50 passed without amendment.

Motion, that the Committee rise and report having passed Bills Nos. 36, 26 and 50, without amendment.

Mr. Speaker resumed the Chair.

On motion report received, Bills ordered read a third time on tomorrow.

Hon. L. R. Curtis (Attorney General): Mr. Speaker, I move the remaining Orders of the Day do stand deferred and that the house at its rising do adjourn until tomorrow, Friday at three o'clock.

Friday, May 15, 1959

The house met at three o'clock.

Mr. Speaker in the Chair:

PRESENTING PETITIONS

Mr. G.R. Renouf (St. John's South): Mr. Speaker, I have a petition on behalf of the Newfoundland Federation of Labour. It is a little bit lengthy. It bears on some request relating to Term 29 and financial matters. The petition explains itself, and I would like it to be placed on the table of the house. I am not in a position to interpret the petition, Mr. Speaker. It does in essence convey some requests relating to Term 29 and matters related thereto. On Motion, petition received.

Mr. Speaker, I have another petition from the settlement of Petty Harbour. This petition is signed by a great many people from that settlement headed I believe by the local clergymen, Rev. Fr. Bradshaw and Rev. Cannon Loder. This petition is for some assistance for the road system to Petty Harbour. As you know, Mr. Speaker, Petty Harbour is one of the few active fishing settlements in St. John's South district. It is built in the hollow of the hill, and the road is very narrow and there has been great difficulty in finding sufficient building space for the residents of that place. They have a very hard-working road board at Petty Harbour, and there have been very good relations between that road board and the residents of Petty Harbour itself and the government departments. They have come back and forth and have had discussions of their problems and have received co-operation on many occasions, but this petition mainly concerns the widening of the road, and the continuation of the main road on to Maddox Cove. The construction of that road and the improvement of that road would allow the necessary expansion of buildings to take place. In Petty Harbour there is no further land available for buildings or fishing property, and there is an increased population.

This job is too heavy for the road board to manage, and they do ask that the department discuss with them some way of impro-

ving that road and extending it to meet with the Maddox Cove Road, to allow further building in Maddox Cove. They pray for consideration of this petition. They are very reasonable. They do not wish to demand any great expense in this present time but I think they do deserve some consideration, as they have such a big problem there. I cannot detain the house any longer, Mr. Speaker, but I would ask that the prayer of this petition be given consideration, and that the problems may be discussed with the appropriate officials of the department. On motion, petition received.

Mr. E. Jones (Burin): Mr. Speaker, I beg leave to present a petition on behalf of the residents of Rencontre East. The petition is that a highroad be built from Rencontre East in Fortune Bay linking it with the community of Terrenceville. This road would then connect the community of Rencontre East with the general highroad network of the Province and at the same time open up some of the best hunting grounds in the Province of Newfoundland. I am happy to support the prayer of the petition, Mr. Speaker, and beg that it be laid on the table of the house and forwarded to the department to which it relates. On motion petition received.

NOTICES OF MOTION:

LEGISLATION:

Hon. J.R. Smallwood (Premier): Mr. Speaker, I give notice I will on tomorrow ask leave to introduce a Bill, in the absence of the Minister of Health, "An Act Further to Amend the Health and Public Welfare Act, 1962".

Hon. E.S. Spencer (Minister of Finance): To move the house into Committee of the Whole to consider certain Resolutions respecting the Loan and Guarantee Act, 1957.

ANSWERS TO QUESTIONS:

Mr. M. Hollett (Leader of the Opposition): Mr. Speaker, I had hoped we would get some answers to questions today. I don't remember offhand how many, there is one

directed to the Minister of Mines and Resources which has not been answered yet.

Hon. W.J. Keough (Minister of Mines and Resources): Mr. Speaker, that was a question referring to the City Council. I will be several more days before that information is available.

Premier Smallwood: I would take the hon. gentleman request as notice — I don't know how many questions are outstanding. I take this as notice that all outstanding questions be brought down.

ORDERS OF THE DAY:

THIRD READINGS OF BILLS:

A Bill "An Act Further To Amend The Life and Accident Insurance Agents (Licensing) Act".

A Bill "An Act To Provide For The Use of Sound Recording Machines For Taking and Recording Evidence".

A Bill "An Act Further To Amend The Newfoundland and Labrador Corporation Limited Act, 1951".

A Bill "An Act To Authorize The Lieutenant Governor in Council To Enter Into An Agreement with Canadian Javelin Limited".

A Bill, "An Act To Authorize The Lieutenant Governor in Council To Enter Into An Agreement with Newfoundland and Labrador Corporation Limited and Canadian Javelin Limited And To Provide Certain Statutory Provisions For The Same Purpose".

A Bill, "An Act To Authorize the Lieutenant Governor in Council To Enter Into An Agreement with Newfoundland and Labrador Corporation Limited, Canadian Javelin Limited, and Wabush Iron Co., Limited, and to Provide Certain Statutory Provisions For The Same Purpose And To Make Certain Amendments To The NALCO-Javelin (Mineral lands) Act, 1957".

A Bill "An Act To Authorize the Lieutenant Governor in Council to Enter Into An Agreement with Wabush Lake Railway Company Limited, Northern Land Company Limited and Carol Lake Company Limited And To Provide Certain Statutory Provisions For The Same Purpose.

A Bill, "An Act To Amend The Wabush Lake Railway Act, 1955".

A Bill "An Act Respecting a Private Mining Carrier Railway in Labrador."

A Bill, "An Act Further To Amend The Accident Insurance Companies (Licensing) Act".

A Bill "An Act Further To Amend The Crown Lands (Mines and Quarries) Act".

A Bill, "An Act Further To Amend The Local School Tax Act, 1957".

Mr. Speaker: The notice of motion given by the Premier just now is already on the Order Paper:

On motion, a Bill, "An Act Further to Amend The Health and Public Welfare Act, read a first time, ordered read a second time on tomorrow:

On motion, that the House go into Committee of the Whole on Bills Nos. 22, 23 and 48, Mr. Speaker left the Chair:

Mr. Clarke (Chairman of Committee of the Whole):

Committee of the Whole on Bill, No. 22 "An Act Further To Amend The Education (Teachers' Pensions) Act."

Hon. M.M. Hollett (Leader of the Opposition): I don't know whether it is permissible to speak to this matter under this particular amendment, but the house will know an effort has been made for some time now to endeavour to get an increase in pensions for teachers who have been retired for quite a while back, retired when teachers' salaries were very small and consequently they received very small pensions. I wonder if it is out of order to ask the hon. minister if any steps have been taken to correct this in regard to teachers?

Premier Smallwood: The reply, of course, is that in the first instance pensions of teachers is a matter that is of permanent relationship between the Department of Education and the Newfoundland Teachers' Association. Between these two there is a continuous close relationship, and the matter of pensions and all other matters come up for discussion quite frequently between these two bodies. The technical part of the matter is that the whole matter of the question has recently come under review, very careful review, by a Royal Commission, headed by the Auditor General. Mr. Allen.

Unfortunately, after the actual work of making the survey and study had been completed the chairman fell seriously ill, dangerously ill, and I think ever since has been quite incapacitated and living at home. We are all hoping that Mr. Allen, who is of course one of the finest public servants that this Province could have, will shortly be restored to good health, whereupon the Royal Commission will complete the writing of their report. Until then, there really is not very much we can do. Now, I am not able to say whether the Royal Commission paid a great deal of attention to the matter of teachers' pensions, in the light of this: Teachers' pensions have for a long while been contributory, and in light of the fact of continued discussions also between the "NTA" and the Department of Education I suppose the matter will be dealt with in the report of the Royal Commission. When the Royal Commission reviewed and studied the whole matter of pensions they took into account not only civil servants who are entitled some day to be pensioned, but also former civil servants who are at present enjoying pensions, and the adequacy, justice, or otherwise of the pensions they are receiving. That is another of the matters which figured in the review, and no doubt will be reported upon. I am glad to tell the Committee that for a week or more now, Mr. Allen has in fact been reporting at this office for a short part of each day.

Motion, that the Committee report having passed this Bill with some amendments, carried:

On Motion, Bill No. 23 passed without amendment — A Bill, "An Act Further to Amend the Frobisher Confirmation of Agreement Act, 1955".

On Motion Bill, No. 48, A Bill, "An Act Further to Amend the Memorial University Act", passed without amendment.

On Motion, that the Committee rise and report having passed Bills Nos. 22, 23, and 48, Mr. Speaker returned to the Chair:

Mr. Clarke: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and direct me to report having passed Bills Nos. 23 and 48 without amendment, and Bill No. 22 with some amendment.

On motion, report received, Bills ordered read a third time on tomorrow:

FOREST PROTECTION:

Second Reading of a Bill "An Act to Restrict Travel Through Forest Lands".

Hon. W.J. Keough (Minister of Mines and Resources): Mr. Speaker, for several years past the Newfoundland Forest Fires Protection Association, at its annual meetings, has been urging upon the department and through the department the Newfoundland government the need to place some legislation on the Statute Books to control travelling in forest areas particularly during periods of high fire hazard. Now, because of the increase in the population of Newfoundland, and because of our ever-expanding roads, as time goes on more and more people travel, and because of the general tendency of most people to get outdoors these days to hunt and fish etc., more and more people are getting into the woods; and the result is the fire hazard is growing proportionately high. Since we are depending on our forest industries for a considerable portion of our whole way of life and also promise for our future, if we are ever to be fortunate enough to get the third mill in Newfoundland; and I think a third mill would add a whole new dimension to Newfoundland life. Now we obviously cannot afford to have any serious fires, and as a matter of fact we cannot afford any fires at all. At least two other provinces I know of, British Columbia and Quebec, have found it advantageous to their fire protection program to control travel in forests particularly at times of peak hazards.

This legislation presently before the house represents the proposals to do the same sort of thing, to have it tried here in Newfoundland. It actually makes it possible for the Minister of Mines and Resources, by order, to declare any forest land to be restricted to travel. And by forest land is meant land which, in the opinion of the minister, finds its best economic use in forest exploitation. Persons would be permitted to travel in restricted areas while an order in respect of that area was in force, in accordance with special provisions. And the minister may allow travel in particular areas or certain parts thereof under certain conditions for certain purposes. The minister may also exempt a certain class of persons from the order. The minister may also issue permits

to people who have proper business in restricted areas at a time when such areas would be closed, and these licences would be permitted to travel in restricted areas subject to restrictions laid down in the order.

The legislation does not apply to the City of St. John's, Corner Brook, to municipalities or local improvement committees, to community council areas or to any highway as defined in the Department of Highways Act, and does not apply to owners, lessee or occupier of land and does not apply to persons employed by or under contract with the owner lessee or occupier in the course of employment or performance of contract. Finally it does not apply to required to be in these restricted areas in the course of their duty, under any statute. Now, I think this legislation may, I suppose, be properly said to be trial legislation. As time goes on we will probably see where it can practically be amended in effect, but in the meantime we think it is worth a trial — it is trial legislation. This kind of legislation will serve a useful purpose in our program of fire suppression, and I move second reading of the Bill.

Mr. Hollett: I think, Mr. Speaker, we agree with this legislation. After all, we make rules and regulations in regard to our fisheries and in regard to our mines and why not our forests? I think it does not go quite far enough. I note a person can get a permit to travel through these woods which are of tremendous value to the employment of this country. I note also that lessee of certain areas do not require permits, nor any of their workmen. I don't see why a plan could not be worked out whereby every person who has occasion to travel through the wooded areas should not be required to have a special permit; not necessarily to pay for it, but to have a permit so that everybody would know who is who and where John Jones was on a certain day. We have had a lot of fires in the last few years, and thousands and thousands of acres have been destroyed, and some steps should be taken, every precaution should be taken to protect our wooded areas. I don't know whether the minister would give some consideration to that — Certainly we agree with this Bill.

Mr. G.R. Renouf (St. John's South): If I

might have a word. For special outings for the 24th. of May and things like that, would it refer to that? I just brought that up, as on that particular point we are going to have considerable feeling, if it is taken to mean restricting such outings as the 24th. of May. I know the intent is very good, and we have to protect our wealth and resources such as forests, but it does occur to me, as I heard my colleague, that it should not be interpreted as being too restrictive — some sort of forest control is very necessary, I suppose, if a person wants to go into the woods.

Mr. Keough: Mr. Speaker, we have a fire protection set-up throughout the province, and it is in conjunction with the Forest Fire Protection, and we assist them. Certainly I think the house will agree, if in certain areas of economic and valuable forests the hazard is extremely high the forest should be protected even if someone has to go without trout or fishing.

Some Honourable Members: Hear! Hear!

Mr. Keough: And that is the intention behind the principle, the protection of forests. It must come, and as I say I expect that legislation will only be used rarely.

On Motion, Bill read a second time, ordered referred to a Committee of the Whole House on tomorrow:

Premier Smallwood: Mr. Speaker, I am due to go out to Torbay Airport, if I can make it, to go down to Goose Airport. In any case I was going to suggest to the house this afternoon that it might be advisable if we would take an adjournment now so that the Cabinet, the members of the Cabinet would be freer — than they could possibly be attending here daily — to concentrate on the estimates, and the Minister of Finance on the preparation. Perhaps this is a good time to adjourn. The printed estimates were received by the Cabinet this morning, this afternoon, and the Cabinet met for a while and gave the estimates their first preliminary look. It is a gigantic task, as the house will agree, to consider tens of thousands of separate items making up a total of \$60 or \$70 million for the year's expenditure. As it was only today we received the estimates and gave them our very first preliminary study, and we have this considerable task to

perform, it might be better if we adjourned, with the consent of the Opposition, to the Call of the Chair, leaving to Your Honour to call the house together again after Your Honour has learned from the government when they had completed their task and were ready to proceed with the business. That, in the meantime, would enable members who find it necessary to go to their constituencies, or attend any other business, to do so. In adjourning to the Call of the Chair we might as well realize it would be 10 days or two weeks before we could be ready again, and members would be notified privately well in advance, in case they should be out of the Province or out of the city around the Province anywhere. They would be given ample warning some days ahead before Your Honour called the house together again. Now if that is agreed we might adjourn now to the Call of the Chair, with this understanding, if that is agreeable to my hon. friends.

Mr. Hollett: Any time limit on it?

Mr. Smallwood: Let us put an absolute time limit, let us make it two weeks as a time limit in which we must meet again. Mr. Speaker, I so move.

I move also that the remaining Orders of the Day do stand deferred and that the house at its rising adjourn to the call of the Chair; but with a maximum time limit of a fortnight.

Mr. Speaker: "At the Call of the Chair" would be more in order, I think.

Mr. Smallwood: The Leader of the Opposition would like to have a firm understanding that the house will meet in at least two weeks, not later than two weeks. I think he based his observation on my statement that it would take a week or two for us to consider the estimates and be ready to bring them before the house and hiring the budget down. So that the Leader of the Opposition wishes that we have a clear understanding, while it is at the "Call of the Chair", it will in any case not be more than a fortnight. I think that is the idea.

On motion, all remaining Orders of the Day do stand deferred:

On motion the house at its rising adjourned until two weeks from today, or "At the Call of the Chair".

Tuesday, June 9, 1959

Afternoon Session

The house met at three o'clock, pursuant to adjournment from May 15.

Mr. Speaker in the Chair.

PRESENTING PETITIONS:

Mr. I. Mercer (Fogo): Mr. Speaker, I beg leave to present a petition on behalf of the people of Stoneville, as it is now known, but which used to be Horwood North. This petition is addressed to the hon. House of Assembly, requesting that the highroad be extended from Birchy Bay to Stoneville. The petition is signed, Mr. Speaker, by 131 voters from Stoneville. In supporting the prayer of this petition, I may say that any one who knows the two places from the North Shore of Dog Bay or either of the Horwoods, North or South, or looks at the map of Newfoundland will appreciate these are two of the most isolated places at the present time in Newfoundland as far as transportation is concerned. It is impossible to get in or out of them except by boat, and many times during the year that is impossible. I therefore support the prayer of the petition, Mr. Speaker, and ask that it be placed on the table of the house and referred to the department to which it relates. On motion, petition received.

Reports of Standing and Select Committees:

Hon. J.T. Cheeseman (Minister of Fisheries): I beg leave to table the report of the Newfoundland Fisheries Development Authority for the year ending March 31. Mr. Speaker, this report is presented under statute.

NOTICE OF MOTIONS: LEGISLATION:

Hon. J.R. Smallwood (Premier): Mr. Speaker, I give notice I will on tomorrow

ask leave to introduce a Bill entitled, "An Act Further To Amend The Education Act", and a Bill entitled "An Act To Amend The Vocational Education Act", and a Bill entitled "An Act To Amend The Vocational Education Act".

And, Mr. Speaker, on behalf of the Attorney General, who is stormbound but should be here before the day is over, I hope — I give notice he will on tomorrow introduce a Bill, "An Act To Amend The Conditional Sales Act", and also a Bill, "An Act To Amend the Expropriation Act, 1957".

Also, Mr. Speaker, on behalf of the Solicitor General, I give notice he will on tomorrow ask leave to introduce a Bill, entitled, "An Act To Repeal The Fire Loss Returns Act".

Also, on behalf of the Minister of Highways, who is across the island somewhere, I give notice I will introduce a Bill, "An Act To Amend The Local Roads Boards Act, 1956", also a Bill, "An Act To Amend The Highways Traffic Act".

Hon. W.J. Keough (Minister of Mines & Resources): Mr. Speaker, I give notice I will on tomorrow ask leave to introduce a Bill, "An Act Further To Amend The Crown Lands Act".

Hon. E.S. Spencer (Minister of Finance): Mr. Speaker, I give notice I will on tomorrow ask leave to introduce a Bill, "An Act Further to Amend the Civil Service Act".

I also ask leave, Mr. Speaker, to give notice that I will on tomorrow ask leave to move the house into Committee of the Whole to Consider Certain Resolutions Respecting the Local Authority Guarantee Act, 1957; also a Bill, "An Act To Amend the Loan Act, 1958, assented to on the Tenth Day of September 1958, and to Validate Certain Debentures of the Province.

I further give notice that I will, on tomorrow, ask leave to introduce a Bill, "An Act To Provide Interim Supply To Her Majesty".

Hon. C.H. Ballam (Minister of Labour): Mr. Speaker, I give notice I will on tomorrow ask leave to introduce a Bill, "An Act Further To Amend The Workmen's Compensation Act".

NOTICE OF QUESTIONS:

Notice of Questions on tomorrow given by Mr. Higgins:

ORDERS OF THE DAY:

Third Reading of a Bill, "An Act Further To Amend the Education (Teacher's Pensions) Act".

Premier Smallwood: Mr. Speaker, with the assent of the house, I move we revert to Committee of the Whole on this Bill, to enable an amendment to be made to it, in relation to a matter that concerns the Royal Visit next week and the gift that it is proposed the people of Newfoundland should make to Her Majesty.

On motion and by leave, agreed.

Mr. Speaker left the Chair:

Mr. G.R. Clarke (Chairman of Committees):

Mr. Smallwood: Mr. Chairman, as I believe the Committee is aware, the Government have a proposal that Newfoundland's gift to the Queen should be an annual grant of \$10,000 to be used each to assist in the education of retarded children. At least part of that money would obviously be used to pay salaries of teachers employed in schools for retarded children. These schools are at present, private institutions and the cost of employing the teachers in them is a private charge on private citizens. Out of this grant it would become feasible to employ teachers in those private schools who would be paid out of that grant. This is an amendment which would provide for making such teachers pensionable. That is the sole purpose of this amendment. Re-numbering of the clauses will follow accordingly, and I move the amendment.

Hon. M.M. Hollett (Leader of the Opposition): Mr. Chairman, before you carry that, will there be legislation brought in relative to the grant of \$10,000?

Premier Smallwood: Yes, in the form of an insertion in the estimates, and the house will be asked to approve it when approving estimates for the Department of Education: On motion, amendment carried:

Premier Smallwood: Mr. Chairman, I move the Committee rise, report having passed this Bill with some amendment. Mr. Speaker resumed the Chair.

Mr. Clarke: Mr. Speaker, the Committee of the Whole have considered the matter to them referred and directed me to report having passed Bill No. 22 with some amendments.

On motion, report received, Bill ordered read a third time on tomorrow.

Third Reading of a Bill, "An Act Further To Amend The Frobisher Limited (Confirmation of Agreement) Act, 1955" — On motion, Bill read a third time, ordered passed and title to be as on the Order Paper. **Third Reading of a Bill, "An Act Further To Amend The Memorial University Act"**. On motion, Bill read a third time, ordered passed and title to be as on the Order Paper. On motion that the House go into Committee of the Whole on Bills Nos. 11, and 59, Mr. Speaker left the Chair.

Mr. Clarke (Chairman of Committee of the Whole).

Committee of the Whole on Bill, "An Act To Amend the Urban and Rural Planning Act".

Mr. Chairman: Clauses (4) and (5) were allowed to stand:

Mr. G. Nightingale (St. John's North): Mr. Chairman, I think the Minister was going to answer a question on urban and rural planning, as to whether we could not abolish the one mile extension mentioned in this Bill. In other words, we have another fringe area, in which, during the past years, houses have been built. Under the Metropolitan Areas Board it has improved, I will say, 75%, but these places are still there, and they are a menace surrounding the whole city, a belt of houses which never had a permit for building and unsanitary conditions prevail. Now these are particular questions I would like to ask on this Bill — Whether this mile limit is to continue forever and why it is necessarily one mile outside the city? — The city controls everything but does not collect taxes and the government does not control it, so that nobody does. That is the answer, Mr. Minister. On motion, Clause (4) carried.

Mr. Hollett: Why the ninth day of July 1957? — This was allowed to stand.

Hon. L.R. Curtis (Attorney General): That

is probably the date of the original Act. I will check up and make sure.

Hon. S.J. Hefferton (Minister of Welfare): Mr. Chairman, I might say that certain things were done both under the direction of the planners and under the direction of the minister dating back to 1957. There was some questions in the minds of some of the officials of the department of the Attorney General as to whether they were done properly or not — and in order to avoid any difficulty —

Premier Smallwood: Not if done properly, but if done with authority.

Mr. J.D. Higgins (St. John's East): In other words, to legitimize what has been done properly.

Mr. Hollett: (Leader of the Opposition): Mr. Chairman, will the minister inform us just what was done which apparently did not have sanction in law?

Mr. Hefferton: Certain regulations were promulgated and put into effect.

Mr. Hollett: What regulations?

Mr. Hefferton: They have been tabled here. I cannot tell you what the regulations are now, regulations governing planning and control and so on. On motion, clauses (5) and (6) carried.

Mr. Curtis: On clause (7), Mr. Chairman, I think the intention is to strike out this entire clause or rather sub-section (3). That means now that sub-section (4) will be sub-section (3).

Mr. Nightingale: That sub-clause (2) is a clause I am particularly interested in. Now with the Central Mortgage and Housing given help by the Federal Government, 50-50 I think, it is time we cleaned up some of these areas. That is the reason I wanted a definite city boundary and not a space between the government's boundary and the city's of one mile. Is there any reason it would not be incorporated into this Bill, Mr. Chairman?

Mr. Higgins: Is the honourable gentleman

speaking as a member of this house or an ambassador of the Municipality?

Mr. Nightingale: It is a lost cause in the City Hall and I think this particular Chamber might be a better place. It is not sensible when you know you have that fringe area in the East, as I have in the North.

Mr. Higgins: Mr. Chairman, I object to this.

Mr. Nightingale: My other friend has a fringe area up at the back. Somebody has to do something, either the city or the government. I want to know why a mile is necessary in this modern age.

Mr. Higgins: Bring it to City Hall.

Mr. Nightingale: Bring it to the right place, the minister — they won't even bother about it.

Hon. B. J. Abbott (Minister of Municipal Affairs): They asked me for it.

Mr. Nightingale: My learned friend may possibly get it through this next city council meeting. It seems there is not hope for this city.

Mr. Higgins: I am quite sure the minister, if he has not already explained, will inform the Committee — There is some discussion and has been over a very considerable period, and in very large measure not total agreement between the government departments concerned and the municipal council. I do not see any great mystery in this.

Mr. Hollett: I am asking how far outside the City of St. John's? Can the minister, on recommendation of the Municipal Council, define the Metropolitan Area?

Mr. Nightingale: Mr. Chairman, that is the reason that the last time this matter came up I asked if the boundary was included in that. I am afraid we are going to take the best part around the city first and leave the worst part until last, and you and I will probably be dead — Mundy Pond needs to be cleaned up first.

Mr. Higgins: The question was — Where are the City Limits to be?

Mr. Nightingale: Yes, the other side of Mundy Pond and up to the Battery.

Hon. B. J. Abbott (Minister of Municipal Affairs): Mr. Chairman, now before the House is a Bill, "An Act Further to Amend the City of St. John's Act". That has some relation to this particular Bill. As all members know, the present city boundaries cannot be amended, only by statute, and the amendment that is proposed in the amendment for the City of St. John's Act provides that the boundaries can be determined by the Lieutenant-Governor in Council. So that one is related to the other, as I see it. At the present time it is one mile. Yes, it can be determined as two miles, provided, of course, the City Council should request it. There has to be some limit, and if the Council requires the limits to be two miles, or asks for two miles, then the Lieutenant-Governor in Council will —

Mr. Hollett: I asked how far can they go?

Mr. Abbott: It is up to the Council, Sir.

Mr. Hollett: Are you going to let the Municipal Council of St. John's say — Give us the whole area out to Russwood Ranch, if you like?

Premier Smallwood: I draw the line there.

Mr. J. D. Higgins (St. John's East): There seems to be some confusion — All this means is that the Council may ask what it likes. It is up to the Lieutenant-Governor in Council to decide how much, if any, they will give them. One of the things, of course, would be the forgotten people living in the fringe areas like Amherst Heights who might quite properly be made full citizens as a result of this St. John's Act amendment coming up.

Mr. Abbott: Once the City Council asks, no doubt the Lieutenant-Governor in Council would grant it, but the council have never been desirous of extending their boundary because of these undesirable spots, I understand.

Mr. Higgins: The Council has no territorial ambitions.

Mr. Abbott: I know that.

Mr. Nightingale: My hon. friend knows very well we don't want anything without a tax potential. Amherst Heights is a good tax potential, with a good type of buildings, but the poor area of Mundy Pond needs to be cleaned up, but we would not take it and use the 75% the Federal Government is going to spend — take it over and fill it up, tax it, put in sewers. It is up to the Council, as you say, Mr. Minister. I agree with you 100%, and I think you agree with me that it needs to be done.

On motion, Clause (3) deleted and Clause (4) renumbered as Clause (3).

On motion Clauses (8) through (12) carried. Motion, that the Committee report having passed the Bill with some amendment, carried.

Committee of the Whole on Bill, "An Act To Restrict Travelling Through Forest Lands":

On motion Clauses (1) through (5) carried.

Mr. Hollett: The fine seems to be out of all proportions — a person might inadvertently travel through forest areas. No — It is quite alright, not more than \$1,000.

Mr. W. Smallwood (Green Bay): Mr. Chairman, there is one point about Section (5) — There is no excuse for going into this area, not even if going in to save life. If I am not mistaken it says in this Act you must have a permit issued by the minister. Well, I submit, Sir, in such a case, if you went into such a restricted area even, if you did so without a permit technically and legally it could be a conviction and fine of \$1,000. If this were passed that would be the law absolutely, with no excuse for being found in a restricted area. I submit that for specified reasons people should be allowed to have a defence to that. There should be a defence under this Act but there is absolutely no defence whatsoever, even in the case of a fire. If men are ordered in and under one Act men can be ordered in to the woods to put out a fire — and such a fire could very well be in a restricted area. Now under one Act they are liable to a fine for going in. I do think that there should be an escape section

somewhere in this Act, if a man gives some reasonable and good excuse. As it is now, if a case came before a magistrate he would have no alternative but to convict.

Hon. L.R. Curtis (Attorney General): I think my hon. friend has a point. I think this section might just stand and we shall see what the draftsmen had in mind.

Mr. Hollett: On that point I agree — Something should be done about this. It is only when a person is found in that restricted area contrary to the order made under the Act he is liable, so if there are some regulations —

Mr. Curtis: It would be covered. However, as the hon. member raised the point I would like some consideration to be given to it. Motion, that Clause (5) stand, carried.

Mr. Curtis: I think, Mr. Chairman, we might pass that clause — It is covered in sub-section (E) of Clause (6), so I think perhaps we might pass Clause (5).

On motion, Clause (5) carried.

On motion, Clause (6) carried.

Motion, that the Committee rise and report having passed these Bills with some amendment, carried.

Mr. Speaker resumed the Chair.

Mr. Clarke: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and directed me to report having passed Bill No. 11 with some amendment.

On motion, report received, Bill ordered read a third time on tomorrow.

Mr. Clarke: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and directed me to report having passed Bill No. 59 without amendment.

On motion report received, Bill ordered read a third time on tomorrow.

Motion, that the house go into Committee of the Whole on Bill, "An Act To Provide For The Suspension of the Rent Restrictions Act".

Mr. Smallwood: Mr. Speaker, I would ask to have this order stricken from the Order Paper.

Opposition: Hear! Hear!

Mr. Speaker: The motion is that this order be stricken from the Order Paper and not proceeded with. Is it agreed?
On motion and by leave Bill No. 10 be stricken from the Order Paper.

Second Reading of a Bill, "An Act To Authorize The Government of Newfoundland To Enter Into An Agreement With Newfoundland Cement Company Limited and North Star Cement Limited".

CEMENT PLANT LEGISLATION:

Hon. J. R. Smallwood (Premier): Mr. Speaker, I do not propose to take much of the time of the house in moving second reading of this Bill, indeed no more than a few minutes. I would ask the indulgence of the house to permit me in speaking to the second reading of this Bill to say something at the same time on the next order on the Order Paper, which is Bill No. 55 dealing with the Machinery Plant at the Octagon. I realize, of course, that they must be taken separately, but as the two projects rather overlap and deal to a large extent with the same people, I might be permitted to do that.

Mr. Speaker: Is it agreed?
Agreed.

Premier Smallwood: In so doing, I do not suggest the house should not have an opportunity to debate both Bills at their pleasure, of course. The deal is a deal that the Government has made to have new management, brand new management, for these two plants, the plant at the Octagon, CMIC, and the plant at Humbermouth, North Star Cement; to have brand new management put in there. With that management also to have an option for them one day to buy these two plants from the Government. Now, the one company that is in both deals, C.M.I.C. and North Star. It is well-known, I think, to the house who they are. They are of Toronto and Newfoundland. They have been operating in Newfoundland for the past 18 years. They are one of the famous group of construction companies that built

the \$200 million railway from Seven Islands to Knob Lake. The present head of the company is Mr. George McNamara. They are in both deals, and they are the only company who are in both deals. They are in both deals, and they are the only company who are in both deals. They are in the North Star Cement deal, along with the Lundrigan interests of Corner Brook and the Goodyear interests of Grand Falls, together with the Pippy interests of St. John's, i.e., Newfoundland Tractor and Equipment, and other associated concerns as well as Gilbert Glavine of Toronto. Gilbert Glavine is a principal in Gunnar Mines. Gunnar Mines are amongst the half dozen, surely half dozen, greatest mining companies in Canada. Gilbert Glavine is the principal in that great company. I believe he is a relative, by marriage, of George McNamara. I believe George McNamara is married to Gilbert Glavine's sister, or something of that order. Incidentally, Mr. Glavine is coming to Newfoundland in a week or so. It will be his first visit here, and we are looking forward to that visit with very considerable interest, because we believe that his participation in the North Star Cement Mill deal is bound to increase his interest in Newfoundland generally, and we hope that this very great and very famous Canadian mining man may become keenly interested in the possibilities of development in Newfoundland.

Now in the case of the C.M.I.C. plant, it is only the McNamara and Glavine interests that are involved. I would like to make that clear. The Pippy, Goodyear and Lundrigan interests are not involved in the C.M.I.C. deal. That deal concerns only McNamara and Gilbert Glavine. All of the others and McNamara and Glavine are in the cement company deal — The deals are almost identical. The group, in each case, takes over the plant and manages it for half the profits and with an option to buy. The rest is detail. In the case of C.M.I.C., they pay to the government of Newfoundland one half the profits off the top, i.e., before taxes or anything else. Half the gross profits, I suppose you would call it, comes to the Newfoundland government and the remaining half would remain with the management or operating concerns, but they would be subject to the payment of Federal Taxes.

Mr. A. M. Duffy (St. John's Centre): No transfer of interest, no financial transfer, just management only?

Premier Smallwood: No! It is a management deal entirely, except they have the option to buy the plant over a period of years. I will describe how they will go about buying and paying for it. Basically this is a deal under which the government, having first acquired 100% ownership of the two companies, C.M.I.C. and North Star Cement Limited, these two companies; the Government being at this moment the sole owner now, having recently acquired the shares of the two companies from their owners, from the owners of the shares. The owners of the shares were the same company, Canadian Industry Machinery, and Construction Holding Trust in Switzerland. They were the Germans who built both plants, and they were, as everybody knows, the principals of M.I.A.G. The main principal has died, Johannus Hersch died last year and the driving force has gone out, whatever driving force there was, and the government of Newfoundland has, within recent weeks become the sole owner of all shares, all the shares -

Mr. Hollett: Did you have to buy them? How did the Government acquire them?

Premier Smallwood: I will explain that exactly and precisely: The government, in recent weeks became the sole owners of all the shares, all of them, of C.M.I.C. and of North Star Cement by buying them for cash from the owners, who are this Swiss Company as C.M.I.C. Holding Trust, the principal of which was Johannus Hersch who was the principal of M.I.A.G. and who has since died. The purchase price paid by the government, and it was paid in cash to the owners of the shares for both companies, was \$50,000 cash. This is paid back to us upon completion of this deal; paid back to us by these interests whose names I have just given, i.e., McNamara, Glavine Interests and the Pippy, Goodyear and Lundrigan Concerns between them. They pay this amount of \$50,000 to the government, which the government has paid for the shares. They pay that to us in cash, but they do not get the shares in return. They get nothing in return except this agreement,

these two agreements. They pay \$10,000 to the government merely by virtue of the C.M.I.C. Agreement and \$40,000 to the government merely for the agreement, in return for nothing else but the agreement. In that way, the government reimburses itself for the \$50,000 cash which it laid out to buy all the shares of the two companies combined.

Mr. G. R. Renouf (St. John's South): Could not the industrial concerns have bought it themselves instead of having the government coming in first?

Premier Smallwood: They still have not bought them. I hope I have made it clear to my hon. and learned friend the two things that are happening: (1) the Government bought and became the sole owners of all the shares of C.M.I.C. and all the shares of North Star Cement, and are at the moment the sole owners and will be for some considerable time to come, some years to come, we will continue to be the sole owners of these shares. (2) Now we are not selling these shares to these interests for this \$10,000 and this \$40,000. For this \$140,000 these interests, Pippy, McNamara, Goodyear, Lundrigan, Glavine get nothing but the agreement. We are not selling the shares for that. Is that clear? We would be willing only that we should buy them, the government should buy them, and we bought them, and now we stand, as at this moment, the sole owners of these two plants and of the companies that operated the two plants, that is C.M.I.C. and North Star Cement Limited. I hope that is clear to the house. The government today are North Star Cement Limited. Is that clear?

Mr. Duffy: I wonder what is the value of these?

Premier Smallwood: The value of the companies?

Mr. Duffy: I mean the assets of the companies.

Premier Smallwood: The assets of the two companies, C.M.I.C. and North Star Cement are the two plants. These are the assets.

Mr. Duffy: What would be the value?

Premier Smallwood: The assets are what they are less what they owe, and of course they owe the government.

Mr. Hollett: They owe the Government?

Premier Smallwood: Of course they owe the government, and I am going to give the exact figures. Here are two plants on which the Government laid out a total of \$7,000,000. We laid out \$2,500,000, on the C.M.I.C. and \$4,700,000 on the cement mill, a total of \$7.2 million — \$7,200,000. They have already spent in Newfoundland \$18,500,000. These two companies, have spent within this Province thus far \$18.4 million.

Mr. Hollett: What, in wages?

Premier Smallwood: I am anxious to give this information without being cross-examined. I am anxious to give it without interrupting the sequence in which I am going to give it to ask a question. Let us complete the sentence and get the answer.

Mr. Hollett: I am so eager to get it all.

Mr. Smallwood: Yes! The Cement Mill \$10 million and C.M.I.C. \$8.4 million, a total of \$18,400,000 spent within Newfoundland by these two companies combined, on wages, salaries and purchases within Newfoundland. They have spent in Newfoundland thus far \$18.5 million. They have another 10 years to go, and they will have another 10 years after that and I would hope they have another 10 years after that again. They should be good for the next 30 or 40 years. Already they have paid out in cash here on this island of Newfoundland \$18,500,000 and are now paying out at the rate, between the two of them, of almost \$2 million a year, getting up towards \$2 million a year. So that we may assume, if they continue only at their present rate, it will be another \$18 or \$20 millions in the next 10 years, without any further outlay by the Newfoundland Government than the original one of \$7.2 million. In other words, Mr. Speaker, if now these two plants were to disappear completely, just disappear and we were to strike the balance now, the bal-

ance would be that the government would be out \$7,000,000 and the economy of Newfoundland, the economy of this province would be in \$18,500,000 — if we were to strike the balance now, if the two plants were to disappear now. But, Sir, far from disappearing, they have many years, I hope — many decades, of future activity especially under the new management, especially with the new, energetic management they now have.

We have become the sole owners of the shares of the two companies, and we are and will continue to be, although the cost of purchasing the shares, \$50,000, is being reimbursed to us by the new owners, the new managers rather not the new owners. But we are in each case creating two sets of shares, preferred and common. In the case of C.M.I.C., there will be \$2,500,000 worth of preferred stock, preferred shares, preferential shares and then there will be the common shares. In the case of North Star Cement the preferred shares will amount to \$4,700,000 — (that is what it has cost the Government to date). That will all be capitalized into preference shares of that amount, and then common shares. Now, it is intended that the interests with whom we have made these two deals will pay off the preference shares, will pay them off to the government, will buy them year by year from the government and retire them — the preference shares.

Mr. Hollett: That is \$7,000,000?

Premier Smallwood: That is \$7.2 million. The interests concerned will, year by year, use their share of the profits to pay off the preference shares, to buy them from the government and retire them. In the meanwhile, no dividends are permitted, no returns are permitted, no returns are permitted on the common shares. When the preference shares are all paid off by these new private interests and have been retired, and the government have got back its outlay, its \$7.2 millions, at that point the new interests, under the agreement, are permitted to buy common shares, the voting shares, the controlling shares. The house is well aware, of course, that the shares which give control of a company are the common stocks — the common shares.

Mr. A. M. Duffy: May I ask if they are obliged to buy these private shares?

Premier Smallwood: They are obliged to buy them before they can acquire the common stock. It is true, if they so wish they could decline. They could decide not to avail themselves of their option, their option to pay off the preference shares and their option then after that to buy the common stocks, but in that case they would be electing permanently, for the life of the agreement, to collect nothing but what was left of their half of the profits each year, after they had paid federal taxes, which are over 50%. So their own decision is that they will use their profits, their share of the profits in both companies, to pay off the preferred shares to the Government so that, having paid off the preferred shares, they can then buy the common stock and be the owners of the two plants. I hope I have made that point perfectly clear to the house.

In the meanwhile until that is done, until the preference shares are bought and paid for, and the government has all its money back and until, secondly, they have bought the common shares, the government remains the owners of the preferred shares, and also of the common shares. Now, being the owners of the common shares, the government are the owners of the controlling shares, because it is the common shares that vote in any company meeting. But, in the agreement, we have undertaken to give them the right to nominate the directors, all but one of them, to select the directors of each company. Now that is, of course, normally a function of the owners of the shares, the common stock. It is the common stock shareholders who determine the names of the directors.

Mr. Hollett: How did the Government acquire the common shares, or have they acquired them yet? I understand the Newfoundland government are the owners of the common stock?

Premier Smallwood: The hon. gentleman understands correctly and understood me to say, because I did say we acquired them by buying them for \$50,000 cash, and we are being reimbursed the \$50,000, by new interests, in two amounts of \$40,000 and

\$10,000, totalling \$50,000 which we paid. I have already said that.

Mr. Hollett: The amount is so huge I don't see how you got it for \$50,000. \$7 million worth of shares for \$50,000 — I was just wondering.

Premier Smallwood: Quite so! Let me attempt to elucidate and explain thoroughly: The C.M.I.C. Holding Trust, or let me reduce it to one man, Johannus Hersch, who died some months ago while under an operation on the brain. He was the principal of the two companies, C.M.I.C. and North Star Cement Limited, two limited liability companies. And he was the owner of them because he was the owner of the shares of C.M.I.C. Holding Trust in Switzerland, which was the owner of the two companies. Is that clear?

Mr. Hollett: Yes.

Premier Smallwood: He was the owner of the two companies because he owned the Holding Trust which owned the shares of the two companies. We have bought these shares from this holding trust company in Switzerland for \$50,000, and my hon. friend, the Leader of the Opposition, is wondering why we bought them so cheaply. That is not wonderfully cheap. We were the only people perhaps in the world whom it would pay to buy them because the two companies in question, C.M.I.C. and North Star Cement, Limited were very heavily and very, very heavily in debt to the Newfoundland government. Let me put it this way: Suppose my hon. friend, the Leader of the Opposition were the owner of C.M.I.C. Holding Trust in Switzerland.

Mr. Hollett: I would be dead.

Premier Smallwood: He would because the owner is dead. Suppose he were the owner of these shares. He would say "I own ninety-nine or ninety-eight percent of the shares of C.M.I.C. Holding Trust and C.M.I.C. Holding Trust owns ninety-nine percent or one hundred percent of the shares of these two Newfoundland Companies, but before I kid myself that this is worth a great deal to me I must not forget I owe the Newfoundland government

\$2,500,000 on one of these companies and \$4.7 million on the other. I owe \$7.2 million on the two companies. And more than that, I owe interest on which I am in default". So the hon. Leader of the Opposition would not feel he was very right if that were all he had, all the shares of C.M.I.C. Holding Trust, which in turn owned all the shares of these two Newfoundland companies. He would not feel very right when he read that these two companies he owned in Newfoundland were heavily in debt to the Newfoundland government to the extent (1) of \$7.2 million and (2) the interest in which he was in default. So therefore, if the principal creditor, i.e. the Newfoundland government were to come to my hon. friend and say: "Look here we will buy you out. We will buy out all your rights, title and interest in these shares for \$50,000" he would probably conclude he was getting the better bargain: \$50,000 cash for shares that were heavily in debt, and he would probably agree that only the Newfoundland government would be the ones to do that because the Newfoundland government were the principal creditor, and it is better for the Newfoundland government, for the sake of \$50,000, to take back the sole and not only the sole but the undisputed and unquestionable ownership of the two companies.

Mr. Duffy: Were there other liabilities besides these loans?

Premier Smallwood: No, the only liability the two companies have are ordinary trade accounts, current trade account bills, bills receivable and payable, and they are both not only solvent but quite healthily solvent if you leave out their capital debt to the government and arrears of interest. Leaving that out, the two companies in their current condition are very flourishing and very healthy. So I hope my hon. friend, the Leader of the Opposition, follows clearly.

Mr. Hollett: Follows, but cannot see why they don't pay back the government some money they owe. On the other hand, I do not see why the government should pay \$50,000 for something they can get by putting them into insolvency.

Premier Smallwood: That is a very good question — Why did not the Government

recover these two properties by making, the two companies insolvent? The Leader of the Opposition asked that question. I may inform him that we asked ourselves that same question, because, obviously, it was in our power to do it. We had two ways of acquiring complete ownership of the two plants — unencumbered and unquestioned control. We had two ways, one was the way my hon. friend has mentioned — he has not suggested but merely mentioned — and the other way, the way we followed — we considered both ways — the disadvantage of acquiring the two properties by putting the two companies into bankruptcy, the disadvantage of that was the time it would take, dragging on perhaps for years in the courts, the cost of doing it, which might be very much more than the \$50,000, and the fact that once they went into liquidation then, under Canadian Law, (Canadian Company Law 9) as his hon. and learned colleague on his immediate left will tell him, or his two colleagues will tell him, they could not operate, could not do business. Oh yes! my hon. and learned friend will advise him to that effect, at least I was so advised by the law officers of the Crown.

Perhaps that is the answer to my hon. friend's question—in that case he has answered himself. The reason you would not make the two companies insolvent is that for probably a year the two plants would lie idle, lose their customers, a great many of them, their markets for cement would be seized by other cement mills, Newfoundland would certainly be invaded at once. The day after the cement mill closes, other cement companies would move into Newfoundland to take the market. Now, the alternative to that very unsatisfactory way of doing it was that we should buy the shares of the two companies and let them continue in operation without even a moment's interruption, and make a deal with the new owner to take over without any interruption at all. This was all the more feasible because of the fact that we would be reimbursed for our outlay of \$50,000 not by selling the shares that we bought for \$50,000. That would be a very unsound thing for the government to do, for the government to pay \$50,000 cash for these shares and then to sell these shares for the same amount. That would not be a very sound thing to do. We have not done that. We have not sold these shares. They are

ours as of this moment, and as of any moment a year from now, and any moment five years from now, and for some years to come these shares will be government shares, although we have given the new interest an option to buy them, but only after they have paid the full cost of the two plants.

Mr. Renouf: How did Pippy and these others know about this deal?

Premier Smallwood: Well I approached them. I have been seeking new management ever since the illness, and then especially since the death of the principal of the company in Switzerland. As a matter of fact, he had been sick for some considerable time, a year or nearly two years, and he had had one heavy operation and then another and he died without recovering consciousness; and I knew that we were going to be confronted at any moment by the fact that he was dead and that his estate might be wound up. In any case there was no one answerable, no one person answerable for the operation of these two mills, these two plants. I therefore began seeking someone who would manage them. Now I thought of all kinds of people. I may say I approached people that I would rather not mention here, in England and in the United States, but I came finally to the conclusion, and my colleagues, who considered the matter most carefully, came likewise to the conclusion that it would be better if we could get three or four or five of the largest Newfoundland companies operating today and get them to combine in the management of these two mills. And, Sir, we think that in Pippy, Goodyear, Lundrigan and McNamara with Gilbert Glavine we have got a managing combination — I doubt you could put together a stronger combination of industrial skill than this combination we have put together.

Now, may I summarize: We have bought the shares of the two companies. We are now North Star Cement. We are now C.M.I.C. — the Government are. We are the only owners there are of C.M.I.C. and the only owners there are of the Cement Mill because we are the only owners of these two companies. We have got all these shares together for \$50,000. We are being reimbursed the price of these shares by these private interests whose names I have men-

tioned in two amounts, \$10,000 in respect of C.M.I.C. shares and \$40,000 in respect of North Star Cement shares; so that the cost of buying the shares is nothing, nothing at all. They have not cost the Newfoundland government anything at all, which is a much smoother way of doing it than forcing them into court, into liquidation, and closing down the two plants for perhaps as much as a year.

Having become the sole owners of the two plants (and on that point, Mr. Speaker, I would remind the House that we have precious little choice in the matter, with the death of the principal of the companies, something had to be done soon or there could be a withering away) we had precious little choice but to acquire control of these two companies. Now we have control. We are the companies. Now what is the next step? Would the next step be for the government to operate them? Clearly not. I think the house will agree that we ought not to try to operate these two big companies. We have enough to do without trying to manage a cement mill and trying to manage C.M.I.C. We have enough to do without doing that. Therefore, we should look for someone else to do it. I think the house will agree with me there. The house may say: "Why not advertise them for sale"? We have considered that, and while it is true that you may reach someone by advertisement that you cannot think of without advertising, the fact is we did make approaches to substantial interests with a view to having them take over these plants. Indeed I may go so far as to say that, with regard to one of them (C.M.I.C.) we had an approach made to the government by quite a large country, a nation. Our thought being, and it was only a thought, it might be a very useful place for that large nation to own and operate in conjunction with some of its activities — I may say that we also approached (and if the House stops to consider that, it is not necessarily a smiling matter, because the nation in question has important interests not too far away) — I may say that we made an approach to the government of a country which, 11 years ago, was not one particularly important to Newfoundland but has been, for going on 11 years. We thought that certain activities carried on by that Government and very great international activities the greatest of its kind in the

world, and some of it here in Newfoundland, we thought they might find it extremely valuable and useful and advantageous to own and operate these plants in which to carry on its own activities, which presently are quite cramped -

Mr. G. R. Renouf (St. John's South): And offered the same deal as to the local one?

Premier Smallwood: Not actually, not as the present one, which was worked out in recent weeks, and I doubt if either one of the two interests I have just mentioned, the two governments of the great countries I have just mentioned, would be interested in making that kind of deal with the government of Newfoundland or any other government. If they would be interested, it would be only in the outright purchase. They were not interested. As I said, having been confronted, as we were, by the death of the principal in these two companies, we had precious little choice but to acquire control of the two companies. Let it be remembered that we had the duty to prevent these plants from deteriorating. We had several million dollars of public money in the two plants, and it was our duty to see they did not deteriorate through poor management, through lack of a central directing brain, or through a long close down.

We therefore, had no choice but to acquire ownership of the shares of the two companies. And we are the owners now, and being the owners, whether we liked it or not, we have to do something about these shares. And what we have thought, following our approach to various substantial interests, is that the best thing, practically speaking, that we could do was to put together a group of local interests, who are substantial operators, people of integrity, people of reputation in Newfoundland as very large and successful operators. We put them together. I have approached them, and I may say I told each of them in turn I would never be willing, personally, to agree to any one of them acting alone but forming part of a team - I may say I tried to get another large operator in, but was not able to get that other one. I think the other one would be willing to go in but this group were not willing to have it - So, Sir, I think we have made this management deal with this group of industrial concerns. Now, having made

the management deal in return for half the profits in the case of C.M.I.C., half the profits off the top, and in the case of North Star Cement, the deal is completely different. There it is a dollar a ton royalty to the government out of every ton of cement they make, a dollar a ton or half of the net profit, whichever is the greater. There is a difference in the two companies. From C.M.I.C., we get half of the gross profits plus \$1,000 a month, and from North Star Cement we get a dollar a ton or half the net profits, whichever is the greater.

Now, the two together, we believe, will bring us about \$250,000 a year cash and we think it will rise above that; but we think that in this current financial year it will bring us about \$250,000 income, and that it will be that much more next year. And that it will tend, year by year, to edge up between \$250,000 and \$300,000 a year, from the two plants combined, the two together, not each of them but the two together. And that is only a small return on our \$7.2 million outlay, admittedly, about 3½% interest on our money. That would not have been so bad three or xive years ago, but today with tight money (or perhaps my hon. friends opposite don't like to be reminded of that term "tight money") they used to use it frequently a year and a half ago. It is our turn now to refer to tight money. With the high interest rates and tight money, 3½ percent is not at the moment now, today, this month, this year, a high return on our outlay.

Mr. G. R. Renouf: Mr. Speaker, may I ask, just for information, is there any likelihood of a set-off of losses in C.M.I.C. dragging down the profit of what the government might get out of the cement plant?

Premier Smallwood: No, because they are two entirely separate contracts and they are two entirely separate companies. The company with which the Government have made this deal for the management of C.M.I.C. is a company whose shareholders are McNamara Construction and Gilbert Glavine - no one else. The company with whom we have made the deal for the management of the Cement Mill are Lundrigan, Goodyear, Pippy, Glavine and McNamara. The two companies are entirely separate companies with no connection with each other. Their only connection with each

other is that some of them are in both companies but all of them are not. Some of them are in both companies. My hon. and learned friend must not look upon the McNamara Company as an outside concern. This is a Newfoundland Company and it has been here operating continuously in Newfoundland for something between 18 and 19 years. It is a Newfoundland Company now, although its principal owners, not its sole owners, its principal owners are George McNamara and his three of four brothers in Toronto. These same people are in other companies across Canada. They are a big outfit. It is true that the principals, although not all, of the shareholders of that company are Torontonians but there are local shareholders. I believe Mr. Pippy is a shareholder in McNamara Construction Company, and it is only as such a shareholder in McNamara Construction that Mr. Pippy is in C.M.I.C. The principal reason why Pippy and Lundrigan are not in C.M.I.C. (except in the case of Pippy who is in indirectly because he is a shareholder of McNamara) is that they are perhaps competitors in a way. You see, Pippy operates a plant, not nearly as big, of course, nor elaborate nor modern as C.M.I.C., but he operates a plant at Mount Pearl for repairs of equipment, as also does Lundrigan. Lundrigan has a very large mechanical plant in Corner Brook or Humbermouth. On the other hand, McNamara has more machinery to be overhauled and repaired than any one in Newfoundland except the United States government on the various bases. He has no plant and naturally it would appeal to him than it would to Lundrigan or Pippy. Now I don't know what the Goodyear position is; if he has a large mechanical plant for overhaul and repair of his own equipment, I don't know. I do know he has nothing like the equipment that Lundrigan and McNamara have here in Newfoundland. So it is understandable why Pippy and Lundrigan would not be keen on going into C.M.I.C., and McNamara would. At all events, it is only McNamara and Glavine who are directly implicated in C.M.I.C.

Mr. A. M. Duffy: May I ask the Premier if the present plant has sufficient working capital, or this new interest has, or if they have to borrow any more?

Premier Smallwood: There is to be no Newfoundland Government money, none, to go in either plant. All additional capital, if any, (to use words from a famous term) must be forthcoming from the new managers. Now, the government obligated them in this legislation to appoint those directors they will select. I said that before. I repeat it and I said that the government will select as well as appoint one of the directors. The selection of all the directors of both companies will be made by the private interests and the Government will simply appoint them, as the owners, as the shareholders, as the owners of the common stock. The government will appoint the directors, appoint the men these other people select, except one, and that one will be a man representing the government. He will have, as the house will see when the hon. gentlemen have read the two pieces of legislation, any will see that this government director has certain powers over the two boards, over the two managements. He has that power not as an individual but as an agent of the government there, representing the government, as the government's nominee and as an appointee on the board of each of the two companies. We propose to appoint Mr. Gordon Pushie, Director General of Economic Development, in whose skill, judgement and integrity we have the greatest faith, and for whom we have the greatest respect. We know that he is a man of great ability and great integrity. May I say one thing in conclusion? I was reminded of this by my hon. colleague, the Minister of Fisheries (Mr. Cheeseman): These McNamara, Pippy, Goodyear, Lundrigan, Glavine interests, in acquiring management control of these two companies and the option to buy, buying the preferred shares and finally, after they are bought and paid for, the common shares, are acquiring, within the framework of Canadian Law, certain tax rights and concessions and reservations. Now, the legal gentlemen and businessmen on the other side, on both sides of this house, will appreciate what that means — losses which have been set up on the books of both companies, (because there are losses in that they have not paid their interest to the Newfoundland government and they are in default in their interest payments) this constitutes a loss position set up in the accounts of both companies. They

must be set up, and reservations must be made for them. These constitute losses. They are, of course, carried on continuously under Canadian Tax Law and will create a somewhat favourable tax position under Federal Taxation. Now, all across the United States, companies are continually on the lookout for the purchase of companies who have tax positions of that character.

Mr. Renouf: It is a good investment?

Premier Smallwood: It is regarded as being a good investment. So we have this group of Newfoundland companies who are prepared to go in and give active management, in the hope that they will one day own these two companies, and that they can do only by buying them for cash, spread over a period of years. The option is for 10 years. The contract is for 10 years. The management contract in each case is for 10 years, renewable for 10. And their hope is, as they don't need the money now to pocket because they are all active, busy, successful, wealthy men, and they are getting along with their other concerns, and therefore can afford to withdraw no money but pay every cent of it to the government, all of their share of the profit to the government for the purchase of the preference and finally the common shares, which would make them the sole owners of these plants, 12, 15, 18, 20 years hence.

In the meanwhile, they are giving both plants management. There are 70 or 80 more men working now today in at C.M.I.C. than there were before this company moved in, and the sales of North Star Cement are picking up, with new management, with new customers, and there is a great new spirit of North American salesmanship in both plants which never existed since the German management went in in first place. The Germans are able to give good technical management. They are famous for that. But do not have, and did not have, that North American salesmanship approach, which is now put behind both companies and has already shown remarkable results. If you drive along Topsail Highway today, pass the plant at the Octagon you will see the difference in the number of cars of workers working inside where they are parked outside the building; the number of pieces of machinery outside waiting their turn to get

inside to be repaired, and then go into the plant, as I did as recently as yesterday, and the noise, the activity, the number of men employed, the pieces of equipment being repaired and made is a pleasure, and it is a peculiar pleasure for me because I have been heartsick these last four or five years at the lack of activity in both plants but especially in C.M.I.C. I honestly believe, and honestly tell the house I believe, this new deal with these new interests will bring success to the two plants, the success that we all, I am sure, on both sides of the House desire. It is \$7,000,000 of Newfoundland's people that are in there, and this is what both sides of the house have been wanting ever since the two plants were started.

I don't suppose the Opposition is immediately ready to go ahead with the debate on this Bill. I suggest that after they have studied the legislation and are ready to debate it they will so indicate. We will give them all the time, naturally, they want. Meanwhile, we will be going forward with other legislation. Mr. Speaker, I move second reading of this Bill.

Mr. Hollett: I beg leave to adjourn the debate, Mr. Speaker.

On motion debate adjourned.

On motion, the house recessed for 10 minutes, after which Mr. Speaker resumed the Chair.

HEALTH AND WELFARE ACT — (AMENDMENT):

Second Reading of a Bill, "An Act Further To Amend the Health and Public Welfare Act".

Hon. Dr. J. A. McGrath (Minister of Health): Mr. Speaker, the purpose of this Bill is to correct an anomaly in the present Act. The present Health and Public Welfare Act, in this section, deals with Tuberculosis Public Services and it requires, mandatorially, that there be officers known as "Directors of Tuberculosis" and also requires that these officers may not be resident superintendents at any Tuberculosis Sanatorium, nor shall hold office as such. We wish it to change it to "May" instead of "Shall"; in other words to make it possible to appoint such an officer, when he is suitable, and also

to appoint such an officer who could conceivably combine the efforts of director and superintendent of one of the Sanatoria for Tuberculosis. The Act goes back, I think, to somewhere around 1931 or 1932, and this has always been a dead letter up to now. We only came across it the other day, almost by accident. We feel it should be corrected and not leave us in a position of failing to do something or doing something the Act forbids to be done. Mr. Speaker, I move the second reading of this Bill.

Hon. M. M. Hollett (Leader of the Opposition): Mr. Speaker, I certainly agree with the principle involved. I wonder if, when the minister replies, he could give us the facts relative to the tuberculosis situation in Newfoundland as compared with 10 years ago, some idea, roughly, of the situation?

Dr. McGrath: Yes! I am very happy to say the situation is one we can all take satisfaction in. The death rate from tuberculosis has continued, year by year, to go down. We have the preliminary figures for 1958, and I believe the death rate is now down to 10 for pulmonary tuberculosis, which a few years ago we would have regarded as miraculous. The number of sanatoria beds we have now are actually more than we need at the moment. In both sanatoria there are empty beds. I may say we shall rapidly change that situation as far as beds being empty is concerned.

At the present time, we are considering what way best to use these beds for other purposes. As you can see, we have to wait a certain length of time to make sure that this phenomenon is more or less permanent. We could not, for instance, because of a few empty beds, decide these could be used right away and then find, with another tuberculosis survey, we have to put some beds back. Actually things look encouraging and I believe at this moment there are some 80 empty beds in the Western Sanatorium. We are proposing to use that, from now on probably, as our principal tuberculosis centre and probably (although this is just speculation at the moment) relieve the pressure on the General Hospital by taking cases of non-tuberculosis in future in the institution as soon as we can make proper distribution. At the present time, there are at least 50 empty beds, and if the decline in tuber-

culosis, as far as we can judge over the last three years continues we may hope perhaps, these who are still alive, to see it completely eliminated as a disease in this country. We could have thought that impossible, certainly, 20 years ago or even 10 years ago. Things are much more encouraging and T.B. had been declining, even 10 years ago but we did not hope, and could not then hope we would be in the satisfactory situation of today; and we certainly never expected to see the day I would be able to announce that not only did we not need any more tuberculosis beds but actually did not need those we already have. Does that answer the question?

Mr. Hollett: Thank you very much! I am very glad to hear that.

On motion, Bill read a second time, ordered deferred to a Committee of the Whole House on tomorrow.

APPRENTICESHIP ACT:

Second Reading of a Bill, "An Act Further To Amend the Apprenticeship Act".

Hon C. H. Ballam (Minister of Labour): Mr. Speaker, this amendment to the Act is suggested by the Attorney General's Department because of some deficiency in the original Act that did not give the Apprenticeship Board power to set up an Examining Board, already established. This provides for that correction. We are also advised by the Attorney General's Department that the original Act did not authorize making regulations providing for repayment of allowances by apprentices who discontinued their courses. Section (5) of the amendment remedies this defect. Also, it has been the experience in the past that Board meetings had to be postponed because a quorum was not available. To overcome this difficulty, the Board requests appointment of alternate members. At the same time this amendment provides for the retirement of Board members every two years, instead of having them appointed for a longer period, while at the same time making them eligible for re-appointment. There is another point in the Bill, which gives the definition of "Improver". "Improver means a person who is or has been

employed in a designated trade and who, in the opinion of the Board, requires training to qualify him as a journeyman in that trade." That is all that has been recommended by the Attorney General's Department. It just tidies up the Act, as it is. Mr. Speaker, I move second reading. On motion, Bill read a second time, ordered referred to a Committee of the Whole House on tomorrow.

Second Reading of a Bill, "An Act To Amend The Unimproved Lands (Redistribution) Act, 1957".

Hon. W. J. Keough (Minister of Mines and Resources): Mr. Speaker, in 1957 the house passed enabling legislation providing for the redistribution by the Crown of certain unimproved lands. As the house is aware, around the Province there are sizeable grants of land which have been undeveloped for a good many years, and with our areas of agricultural land limited, and with the need now existing for their use, to leave so much land with the growing pressure on the Crown for land for redistribution, the government decided to suggest to the house it is not in the public interest this land should remain idle and undeveloped where it is required for development. The house concurred by providing legislation for the acquisition of such land by the Crown, so that it might be redistributed for agricultural purposes.

Specifically, the Act provides that, wherever in the opinion of the Lieutenant-Governor in Council, and land areas which are or may be required for future use in Right of Newfoundland, for the public or any member of the public for or in connection with development of agriculture, forestry, utilization, disposal or development of any part of the forests or construction, expansion, maintenance, repair of roads or dedication to the public for use of existing roads, the Lieutenant-Governor in Council may, by order, direct the land may be expropriated. Now the expropriation provides vesting in the Crown of all surface rights timber etc. and salt on and in the land, but minerals on and in such land are not affected by the expropriation.

Now, in East Bay one square mile of land is subject of a Crown Grant to Thomas R. Smith, executor of the will of Charles Fox

Bennett and granddaughter, issued July 16, 1885. The area is near the settlement of Aguathuna, between Aguathuna and a place called Felix Cove, Bay St. George's. The member for Port au Port (Mr. Smith) has been under pressure for quite a while to have the government acquire at least part of the property, probably to make it available for settlement purposes. The Port au Port-Aguathuna area is rather congested, and there is little or no unoccupied land available for expansion of communities, which new families can acquire and so forth since a goodly part of the area in question has remained undeveloped for over 60 years. The government feels it should be repossessed by the Crown and made available for the purposes mentioned. To make that possible under the Unimproved Lands Act, the Act is being amended to provide for extension of the purposes for which land may be expropriated. This additional purpose has been added — "For the extension or construction of any city, town, village or settlement." Of course, the area in question on the south side of East Bay, Port au Port has been added to the schedule of the Act: I move second reading of this Bill:

On motion, Bill read a second time, ordered referred to a Committee of the Whole House on tomorrow:

Second Reading of a Bill, "An Act to Amend the Industries Act".

Hon. L. R. Curtis (Attorney General): Mr. Speaker, this Bill is a very simple Bill. It is a Bill which will enable the minister concerned, subject to approval of the Lieutenant-Governor in Council, to sell or dispose of any land acquired by him under this Act to the owner of the industrial enterprise in respect of which it was acquired on such terms and conditions and for such consideration as he deems fit.

Mr. Hollett: Mr. Speaker, I had no occasion to look at this. I was wondering if there is any connection between this and the one just passed in regard to a piece of land upon the West Coast.

Mr. Curtis: No. It is to deal with various properties which may be acquired, such as we had to pass at Manuels for the Manuels plant — the type of property — industrial.

Mr. Hollett: I would like the Minister to say when he replies if there is any particular industry to which this particular amendment has reference?

Mr. Curtis: I think, Mr. Speaker, the only industry which actually has — I am speaking now purely from memory — (I will try to get it confirmed before the house goes into Committee of the Bill) — I think there is some property we acquired in at Manuels in connection with the talc factory. In that case, we had to expropriate some land to make a shipping point. The idea of acquiring the land was that it would be passed over when acquired to the talc operation there. That is the only case I know about. I may be wrong. I will check it up before the Committee stage. This has no connection, of course, with the Bill which my hon. colleague introduced, which was for land settlement.

On motion, Bill read a second time, ordered referred to a Committee of the Whole House on tomorrow.

Second Reading of a Bill, "An Act To Authorize the Government of Newfoundland To Enter Into Agreements With M. James Boylen".

Hon. W. J. Keough (Minister of Mines and Resources): Mr. Speaker, the purpose of this Bill is to seek legislative authority for the government to conclude four additional agreements with M. James Boylen. They are to be agreements for exclusive exploration of the off-shore land, under waters at Baie Verte, Mings Bight, Confusion Bay and Tilt Cove and also for the islands in these four areas. Now, the four areas constitute an aggregate extent of 34.9 miles. Boylen is required to spend the sum of \$3,000 per annum in prospecting and exploration. I have here a map, Mr. Speaker, of the area in question, which I would like to pass across the house to the members of the Opposition so they may see more clearly the areas that are contemplated. Boylen has requested and proposed separate agreements for each of the four areas, and the four schedules that are attached to the Bill constitute the form of the proposed agreements.

Now, the first schedule is a format agreement relating to the offshore waters in the area adjacent to Tilt Cove, and covers an

area of four square miles, on which Boylen is required to spend a sum of \$500 per annum in prospecting and exploration. The second schedule is a format agreement relating to the off-shore waters of Baie Verte and constitute an area of 20 square miles on which Boylen is required to spend the sum of \$1,500 per annum in exploring and prospecting. The third schedule of the Bill is a format agreement relating to off-shore waters under Mings Bight, constituting an area of four point seven square miles, on which Boylen is required to spend the sum of \$500 per annum in prospecting and exploration. The fourth schedule is a format agreement relating to the off-shore waters under Confusion Bay, and constitutes an area of five square miles, on which Boylen is required to spend the sum of \$500 per annum.

It is proposed that in each of the Tilt Cove and Baie Verte concession areas, Boylen shall be allowed to take, during the tenure of the four years concession period, and after that period under one square mile development license and subsequently to convert to a mining lease. On each of the Mings Bight and Confusion Bay area it is proposed that Boylen be allowed to take half a square mile under a development license and subsequently have the right to convert to a mining license. All the others are usual clauses that are found in the usual form of format concession agreements. I think that about covers the matter, Mr. Speaker, and I move second reading of this Bill.

Mr. Renouf: Mr. Speaker, on these under-water concessions, I take it there would be some form of control of the shoreline as well. Would there be control of the high-water mark area there in these locations? What are under water operations?

Mr. Keough: It is proposed to drill under water.

Mr. Renouf: Out in the water. That would not involve setting up operations and marking off the shore-line in these places at all?

Mr. Keough: One of the things we have to avoid, they would not be permitted to interfere in any way with navigable waters.

On motion, Bill read a second time, ordered

referred to a Committee of the Whole House on tomorrow.

**CITY OF ST. JOHN'S
(AMENDMENT):**

Second Reading of a Bill, "An Act Further To Amend the City of St. John's Act".

Hon. B. J. Abbott (Minister of Municipal Affairs): Mr. Speaker, this is a non-government Bill, a non-government measure. It was brought in at the request of the City Council. As I have already stated when I was speaking on the Rural Planning Act, amendments have already been made to boundaries of the City by order of the Lieutenant-Governor in Council, made, of course, at the request of the City Council. At the present time the boundaries cannot be amended except by Statute. Now of course the Statutory changes will be required only if the government desires to change the city boundaries without the consent of the city. This enables the city to lease to the "Lions Club", for use as a swimming pool, a portion of Bannerman Park. It also provides for additional water supply to the city and to the metropolitan area. In order to do that it is proposed that the watersheds which are now under the control of the city be increased by taking in the area of the Broad Cove River. In order to do that it is proposed to build a dam on the Broad Cove River. They are also permitted, under this amendment, to give the existing families that reside on the watershed, (the city watershed), permission to build extensions to dwellings. That is provided only to existing families on the watershed. No other person is permitted to build there. The amendment also provides for the removal of snow and also prohibits vehicles, other than those which carry snow tires or chains. The amendment also provides for the council, if people do not remove snow, to have the snow removed and the cost of the removal of the snow will be collected from the tenant. That may be a contentious section, nevertheless that is the proposed amendment. There is also another amendment whereby the city can enter into an agreement for building, managing and control of the Metropolitan Area, such as laying sewers, sidewalks and so on.

Then, Sir, there is another section, which deals with the bus service of the city. As we know, the operation of the bus service is subject to the provisions of the Public Utilities Act when, of course, the buses go outside the city limits. Now it is proposed that they will not be subject to the Public Utilities Act unless they go far beyond the city limits, to the extent of five miles. Then there is, of course, that contentious tax known as the poll tax. It is proposed that residents within the city only be subject to this poll tax, whereas at the present time, I think, it applies to those living within one mile of the city.

Mr. Speaker, these are the chief points in the proposed amendment and I move the second reading:

Hon. M. M. Hollett (Leader of the Opposition): Mr. Speaker, I move the adjournment of the debate.

On motion, debate on second reading adjourned.

Second Reading of a Bill, "An Act Further To Amend the Labrador Railway Act".

Hon. L. R. Curtis (Attorney General): Mr. Speaker, I beg to move the second reading of this Bill, which really is a part of the Javelin — Pickands Mather legislation which was passed earlier in this session. In the Labrador Railway Act of 1948, there is a section, Section 18, which reads: "The Government will not grant permission to any person to construct nor operate any railway other than the railway of the company in Labrador unless:

(a) An Application for permission can establish its necessity or desirability in some other area of a railway system and application has been made to the company to apply such system and has been refused and

(b) the company be given reasonable notice of application by the government and show good cause why such application be refused."

By agreement between the companies, that section is being repealed, and the object of the present Bill is simply to carry into effect the agreement made with the company, with the Labrador Mining and Exploration Company, that this section be deleted. I move second reading, Mr. Speaker.

On motion, Bill read a second time, ordered

referred to a Committee of the Whole House on tomorrow.

On motion of Mr. Curtis all remaining orders of the day stand deferred.

On motion, the house at its rising adjourned until tomorrow, Wednesday, at three o'clock.

Wednesday, June 10, 1959

(Afternoon Session)

The house met at three o'clock.

Mr. Speaker in the Chair.

ST. JOHN'S HOUSING AUTHORITY:

Hon. J. R. Smallwood (Premier): Mr. Speaker, before calling any order I wonder if the house would allow me to make an announcement of the fact that the government have appointed three new members to the St. John's Housing Authority in place of three members who have resigned. The names were submitted to the Government, to me, by Mr. Howard Green the day before yesterday, and yesterday at a Cabinet Meeting we appointed three, whose names had been recommended to us — Mr. John O'Dea; Mr. A. B. Butt; and Mr. Thomas Williams. Mr. Williams is a well-known barrister and solicitor. Mr. Butt is the manager of a life insurance company in Newfoundland and Mr. John O'Dea is also a well-known businessman. I think the house will agree these are three reputable Newfoundlanders, representative citizens, able citizens. I have no idea as to what their politics might be. I don't think it really matters so long as they are reputable Newfoundlanders, all three of them. We wish them luck and hope that they will enjoy their tenure of membership in the St. John's Housing Authority.

I am quite sure that the house, all of us on both sides, will agree that the three gentlemen who resigned, after balloting for the sacrifice, (to decide who should make the sacrifice) these three men are very reputable Newfoundlanders, three eminently respectable and reputable Newfoundlanders. I am sure all members of the house would, without exception, regret the situation

which perhaps justified their resignation and the loss of their services. But the three other hon. gentlemen whom we have appointed — and it was our appointment, an appointment by the government of Newfoundland on the recommendation of the government of Canada, these three gentlemen are also reputable Newfoundlanders, and I hope they will render good, patriotic service, unpaid — it seems to be quite unusual that all this clamour for the honour and privilege of serving the people in this matter of housing exists. No other change is contemplated, no other change is contemplated in the decision made with regard to this whole matter.

Mr. J. D. Higgins (St. John's East): That means the action presently pending will proceed?

Premier Smallwood: No other change is contemplated. We do not propose to interfere with the course of justice.

Mr. G. R. Renouf (St. John's South): That might mean no date will be set for the hearing.

Premier Smallwood: I understand the court set a date for the hearing of the action if that is the matter to which the hon. and learned gentleman refers.

PRESENTING PETITIONS:

Hon. S. Hefferton (Minister of Welfare): Mr. Speaker, I beg leave to present a petition on behalf of the residents of Trinity South, living in the areas from Whiteway to Islington. The petition prays for the repair of what is known as Valley Road. That is the road which runs from Heart's Delight to Carbonear. In their petition the petitioners point out the advantages that will accrue to the residents not only of that particular section of Trinity South which I have already mentioned but also to the residents of Carbonear. I support the petition, Mr. Speaker, and ask that it be tabled and referred to the department to which it relates. On motion, petition received.

Hon. S.J. Hefferton (Minister of Welfare): Mr. Speaker, on behalf of the residents of

the little settlement of Spread Eagle in Trinity South I beg leave to present a petition asking that the road from Spread Eagle to Old Shop be put in such condition of repair as to allow it to be more operable during the whole year instead of three or four months, as it is in its present condition. I have much pleasure in supporting this particular petition, Mr. Speaker, and ask it to be tabled and referred to the department to which it relates.

On motion, petition received.

NOTICE OF MOTIONS:

Hon. J. R. Smallwood (Premier): Mr. Speaker, I give notice I will on tomorrow ask leave to move the house into a Committee of the Whole to consider resolutions respecting the construction of additional buildings and improvements for the use of the Memorial University of Newfoundland.

Hon. W. J. Keough (Minister of Mines & Resources): Mr. Speaker, I give notice I will on tomorrow ask leave to introduce a Bill, "An Act To Amend and Consolidate the Law Respecting the Operation of Saw Mills."

NOTICE OF QUESTIONS:

Notice of Questions on tomorrow given by Mr. Hollett:

Hon. M. M. Hollett (Leader of the Opposition): Mr. Speaker, may I ask the Minister of Provincial Affairs for an answer to question No. (11) and the Minister of Economic Development for an answer to questions Nos. (4) and (5) and the Minister of Finance for answers to questions Nos. (17), (19) and (20); the Minister of Economic Development for the answer to question (27) and the Minister of Mines and Resources for the answer to question No. (28); (I believe that is in the process of being prepared); the Minister of Economic Development for the answer to question (33); the hon. Premier for the answer to question (34) and the hon. the Attorney General for the answer to question No. (35).

Mr. Speaker: I would like the hon. ministers

to take note of these questions still outstanding and unanswered. Will all concerned please note the question on today's order paper, which is incorrectly numbered. The number given is 34. This should be question No. 37.

ANSWERS TO QUESTIONS:

Question No. 28 tabled (see appendix).

ORDERS OF THE DAY:

LEGISLATION:

Hon. the Premier asks leave to introduce a Bill, "An Act Further To Amend the Education Act."

On motion, Bill read a first time, ordered read a second time on tomorrow.

Hon. the Premier asks leave to introduce a Bill, "An Act To Amend The Vocational Education Act."

On motion, Bill read a first time, ordered read a second time on tomorrow.

Hon. the Premier asks leave to introduce a Bill, "An Act Further To Amend the School Attendance Act."

On motion, Bill read a first time, ordered read a second time on tomorrow.

Hon. the Attorney General asks leave to introduce a Bill, "An Act To Amend the Conditional Sales Act."

On motion Bill read a first time ordered read a second time on tomorrow.

Hon. the Attorney General asks leave to introduce a Bill, "An Act To Amend the Expropriation Act, 1957."

On motion, Bill read a first time, ordered read a second time on tomorrow.

Hon. the Minister of Provincial Affairs asks leave to introduce a Bill, "An Act To Repeal the Fire Loss Returns Act."

On motion, Bill read a first time, ordered read a second time on tomorrow.

Hon. the Minister of Highways asks leave to introduce a Bill, "An Act To Amend The Local Roads Boards Act, 1956."

On motion, Bill read a first time, ordered read a second time on tomorrow.

Hon. the Minister of Highways asks leave to introduce a Bill, "An Act Further To Amend the Highways Traffic Act."

On motion, Bill read a first time, ordered read a second time on tomorrow.

Hon. the Minister of Mines and Resources asks leave to introduce a Bill, "An Act Further To Amend The Crown Lands Act."

On motion, Bill read a first time, ordered read a second time on tomorrow.

Hon. the Minister of Labour asks leave to introduce a Bill, "An Act Further To Amend the Workmen's Compensation Act."

On motion, Bill read a first time, ordered read a second time on tomorrow.

Hon. L. R. Curtis (Attorney General): I think, Mr. Speaker, the next one should really be a Resolution and I move that the order be changed.

Hon. the Minister of Finance asks leave to move into a "Committee of the Whole to Consider Certain Resolutions Respecting The Civil Service Act."

Mr. Curtis: Although Mr. Browne is not here I thought we might as well follow the formula.

Mr. Speaker: Does the House intend to go into Committee on that now.

Mr. Curtis: That has been called for tomorrow.

On motion the House ordered to go into Committee of the Whole on this Bill tomorrow.

Hon. the Minister of Finance asks leave to introduce a Bill, "An Act To Amend The Loan Act, 1958, assented to on the Tenth Day of September, 1958, and to Validate Certain Debentures of the Province."

On motion Bill read a first time, ordered read a second time on tomorrow.

Hon. the Minister of Finance asks leave to move the House into Committee of the Whole to Consider Certain Resolutions in

relation to the Granting of Interim Supply to Her Majesty.

Letter from His Honour the Lieutenant-Governor read:

The Honourable the Minister of Finance:

I, the Lieutenant-Governor of the Province of Newfoundland, transmit Estimates of additional funds required for the Public Services of the Province for the Year ending 31st March, 1960, by way of a second Interim Supply in the amount of \$2,740,000, making an aggregate of \$13,520,000 by way of Interim Supply for 1959-60, and in accordance with the provisions of the British North American Act of 1867, as amended, I recommend these Estimates to the House of Assembly.

(sgd.) Campbell MacPherson
Lieutenant-Governor

June 10th, 1959.

On motion that the house now go into Committee of Supply on Resolution in relation to Granting of Interim Supply to Her Majesty, Mr. Speaker left the Chair.

Mr. Clarke (Chairman of Committee of the Whole):

INTERIM SUPPLY:

Hon. E. S. Spencer (Minister of Finance): Mr. Chairman, in introducing this Bill to the committee I think it is unnecessary to give any lengthy explanation. It is merely a matter of form, to get the necessary interim supply so we can carry on until such time as the budget is brought down. At this moment, I don't think it is proper to say or to even guess at the actual time. We do hope of course we can have it down (the budget) within a reasonable time but at this moment I am able to say just when.

Under the heads of expenditure for which we now seek interim supply the amounts will be found in the schedule of this Bill. The total amount is the same as read by His Honour, the Speaker, in the letter from His Honour, the Lieutenant-Governor, \$2,740,000, comprised of seven items under the headings; Education, \$500,000; Public Works, \$100,000; Health, \$200,000; Public Welfare \$1,600,000; Fisheries, \$50,000; Labour, \$40,000 and Highways, \$250,000, making a total, as I have previ-

ously quoted, of \$2,740,000. It may be pointed out these sums, as quoted here, are in the same proportion as the sums originally requested for interim supply, which was also referred to in the letter from His Honour the Lieutenant-Governor and which was brought down earlier in the session.

Hon. M.M. Hollett (Leader of the Opposition): Mr. Chairman, before going on, I understand that the interim supply Bill brought down, Bill No. (8), was for \$10,780,000. I understand that was on a proportion basis for the amount expected to be expended during a period of two months.

Premier Smallwood: Two or three — one or the other.

Mr. Hollett: It looks something like two months, \$10 million. I understand, therefore, from this Bill brought in that that has been probably used up.

Premier Smallwood: In some departments.

Mr. Hollett: Would I be wrong in coming to the conclusion that during that period, under XI, Public Welfare, \$2,000,000 has been expended and now a further \$1,600,000 will be necessary?

Mr. Spencer: That is correct.

Mr. Hollett: In other words, in a period of three months or thereabout, Public Welfare will probably have spent \$3,600,000?

Premier Smallwood: It does not follow — paid but not spent. It might be paid in respect of money spent previously.

Mr. Hollett: I see! I am just trying to get some idea why all that money was necessary for Public Welfare, \$3,600,000 since the end of March. I know conditions are bad in the country, and I know the people have to be kept from going hungry, but I think people generally know the exact position in regard to that.

Premier Smallwood: That will be in the budget in a week or so, in detail.

Mr. Hollett: In the budget, will it?

TERM 29:

Premier Smallwood: The hon. leader will realize this is spent by us, contracted and expended by us but reimbursed to a large extent by Ottawa, re-imbursable allowance, interim supply. Under this heading, when given originally some months ago, it was in respect of nearly \$1,000,000 of monies that had been contracted but not paid previously.

On motion, resolution carried.

On motion the Committee rose to report having passed these resolutions.

Mr. Hollett: Before going on to that, may I ask if this has been necessary in the past, to bring in two supply bills?

Mr. Curtis: Yes, last year.

Mr. Hollett: Last year being the first in the history of Newfoundland?

Premier Smallwood: May I inform the hon. member it happened only last week in the House of Commons when interim supply was requested and granted for the second time before the budget was brought down. The supply to Her Majesty to carry on the public services is granted once a year when the estimates are presented and the budget brought down. If the estimates and budget are not brought down and the year commences and there is no money, interim supply is requested in the meantime. It was granted in the House of Commons this week, and this was done for the second time in this present session, as we are today doing it for the second time. The first interim supply requested not enough to carry on until the budget. The budget is later than we thought it would be. We asked enough to carry on for two months. The two months are up now and we ask for enough to carry on for a while until the budget comes down. That has happened before in the house and has happened in the House of Commons and in other houses.

Mr. Hollett: I take it the delay in bringing down the budget is clearly understood? — Why the delay in bringing the budget down,

Mr. Chairman? Perhaps the Minister could tell us.

Premier Smallwood: I would say that the answer to that question would come much more convincingly from the House of Commons.

Mr. Hollett: This country here is not dependent solely on the House of Commons in Ottawa. Surely the budget could be brought down with assets coming in, the money coming in from all sources, and if we get a windfall during the year we know how to handle that, surely. We cannot be dependent always upon the whims or otherwise of some other elected body in some other Province, or the Dominion, as far as that goes.

Premier Smallwood: Last year we adopted the attitude the Leader of the Opposition expressed this moment, and inserted in the budget an amount of \$13,600,000, almost \$14,000,000 as revenue, on the revenue side. The hon. gentleman may look it up and see it in the estimates and in the budget, \$13,600,000 revenue to come from Ottawa was budgeted for as revenue and we then proceeded to spend on the expenditure side. That is all in the budget. That was on paper. Now, the summer came along. We began building roads. We had to spend the money. It did not materialize. The money did not materialize from Ottawa. So we had to go to the banks and get an overdraft down to the end of the financial year, and it cost \$500,000 in interest. And the year expired and the new year, the one we are on now, began and we still did not receive it from Ottawa and we had to go to the bank and renew the overdraft. And every hour which passes now, today, while this house is in session, the people of Newfoundland are paying interest on that loan, that overdraft we borrowed from the banks because we have not yet received the money from Ottawa. That is the story of last year's budget? We do not know what to insert. We know some of the things to insert but don't know all of the things to insert on the revenue side of the budget. Will we put in \$20 millions there? the \$13,600,000 that Ottawa owes us in respect of the year just passed and the year before? They did not pay us anything the year before nor last year. They were supposed to pay, last year, \$13,600,000 for

two years and this year seven million point something. That is about \$20,000,000. Will we put that in? If my hon. colleague, the Minister of Finance brought down the budget tomorrow and showed on the revenue side \$20,000,000 from Ottawa in respect of Term 29 — We did not receive it, and so will receive it this year.

Mr. Hollett: That is right, yes!

Premier Smallwood: We did not receive that revenue from Ottawa. That goes on if we receive it this year and this year's budget should show revenue returns under Term 29 for three years, this year, last year and the year before last, which we should have received last year and the year before last, but we did not. Now, are we to show it this year as \$20,000,000? And if it does not materialize what kind of budget would that be? Suppose we show it, and show it on the expenditure side and go ahead and spend it, and it does not materialize what do we do? Do we go to the banks and run up another \$500,000 or \$800,000 interest; more than that, a million.

Mr. A. M. Duffy (St. John's Centre): What has been the position? You did not get it in the past two years. If you do not get it for another year you have to bring in the budget anyway.

Premier Smallwood: Yes, but a week or two or three won't make any vital difference. We are delaying the bringing down of the budget, and we come before the house and say we are still not ready with the budget. That may be, as my hon. colleague says, next week or it may be the week after. Quite frankly, we are watching Ottawa to see what the House of Commons does — so there is no budget — In the meantime, there is interim supply the house has been kind enough to grant Her Majesty. Now it has expired and we ask the House of Assembly please give us more interim supply until we bring down the budget, that is all this means. If it is the second time in one year, well, that happened before in this house and all across Canada and last week in the House of Commons? Indeed we had good reason to know. We were waiting for the interim supply to come down in the House of Commons thinking it might contain our

money, but it did not and no reference was made to it. It is costing Newfoundland \$1,500 a day in interest, \$1,500 a day we are paying in interest to the bank on the money that we borrowed from the bank against what Ottawa owes us and has not paid us. That is what it is costing us, \$1,500 a day interest to the Bank of Montreal.

Mr. Hollett: The hon. Premier says again "What Ottawa owes us and has not paid". As far as I can see Ottawa owes nothing at the present time, until they pass the legislation in the House of Commons in Ottawa.

Premier Smallwood: The Prime Minister admitted and announced that they owed us.

Mr. Hollett: He announced it, but the House of Commons has to decide that.

Premier Smallwood: They have not been asked, that is the trouble.

Mr. Hollett: I see! What an awful mess we would be in if the government in Ottawa persisted — There are other grants besides this one, Suppose we had a government that insisted on not living up to the letter of the law in regard to paying over to the Province the money which is due her, due her I say — there is no question about that — and if it is costing the people of the country \$1,500 a day interest simple because of that delay in the Dominion Parliament I regret very much to hear that. It is not right. It is not proper.

Premier Smallwood: It is almost unbelievable.

Mr. Hollett: I don't even believe it now. I know we had to go to the banks and borrow \$13,500,000 last year.

Premier Smallwood: Which is still not paid back. We are still paying interest on that.

Mr. Hollett: I know. Suppose the Hon. minister has to go to the banks again now, bringing in the budget excluding the \$7 million we are supposed to get this year, suppose it still does not come. Then the cost to the people of this country is going to be tremendous again. I think it is, or shall we say it reflects back upon the Commission

that went to Ottawa away back in 1948 to arrange the Terms of Union. I think it probably does. I think we have to put the blame back there because of the fact that Term 29 was not made hard and fast to the letter of the law. The hon. minister of Finance knows exactly what to do — I raise that point for that purpose, to put the blame in the right place.

Premier Smallwood: I suggest we make no attempt at apportioning blame. That would open up a debate which can be an acrimonious one. The last public evidence was the statement of the Prime Minister of Canada, and so we can argue that was the last evidence, except for the speech of the Minister of Justice when he was here. The Prime Minister gave some indication of possessing a friendlier feeling towards Newfoundland in this matter. That appeared to be, from his speech. Well he has said nothing since then on the matter. So that the last words we had, uttered publicly, by the Prime Minister would appear to be friendly to Newfoundland, and my whole feeling from that moment to this has been that, in this house, we ought not to say anything that would exaggerate the matter; that whatever we may do and say privately publicly we ought not to say anything that would deter or impede the Prime Minister in the course of his thinking, which seems to be coming over our way. Now it won't be much longer before they bring in legislation. It cannot be much longer. The Canadian Parliament is not going to stay in session forever. Soon they will be proroguing, maybe next month or it may even be August, but it won't be very much longer. Soon they are going to bring in something. Now I suggest that we Newfoundlanders would do the best thing for Newfoundland if we said nothing; lie low and say nothing and trust to the honour of the Canadian Government. If that fails us, as I can't believe it will, if that fails us we know what we will do. I know precisely and exactly, I know down to the last detail what I will do. I know that it will involve a lot of travelling. But meantime let us say as little as possible and hope that our friends who are working for us will be successful.

Mr. Hollett: I might say, Mr. Chairman, I am very happy the point was raised because

I am quite sure (if the expressions of kindness and generosity of the Premier towards the people at Ottawa, toward the Prime Minister) I am quite sure if that attitude is adopted and remains so, there will be a happy relationship between the government here and the government at Ottawa and that in itself will redound to the best interest of the people of Newfoundland.

Premier Smallwood: We hope it turns up in cash.

Mr. Hollett: On fisheries: In other words, Sir, according to this, since the first of April we have spent \$70,000 plus \$50,000 altogether on fisheries.

Premier Smallwood: No that is not on fisheries. That is the department of Fisheries. That is staff. The amount spent on fisheries comes under capital account, practically all. In practically all the departments it is just salaries — that is all this is. The hon. gentleman thought he had something there.

Mr. Hollett: While I am on that fisheries, could I ask the hon. minister to tell me just what money has been paid over to the fishery authority since the last of March?

Premier Smallwood: None, because the estimates are not down, there are no capital account estimates. The house has not voted anything on capital account.

Mr. Hollett: They are not getting paid their wages there.

Premier Smallwood: Current Account salaries, but no investment money.

Mr. Hollett: There is not enough there to pay their salaries.

Hon. J. R. Cheeseman (Minister of Fisheries): Don't you worry about that.
On motion, resolution carried:
On motion that the Committee rise and report having passed this resolution, Mr. Speaker resumed the Chair.

Mr. Clarke (Committee Chairman): Mr. Speaker, the Committee of the Whole considered the matter to them referred and

have directed me to report having passed these resolutions. On motion, report received.

On motion, resolutions read a first, second time.

On motion, a Bill, "An Act For Granting To Her Majesty Certain Sums of Money For Defraying Certain Expenses Of The Public Services For The Financial Year Ending the 31st Day of March 1960, And For Other Purposes Relating To The Public Services", read a first time.

On motion, Bill read a second time.

On motion, Bill read a third time; ordered passed and title to be as on the Order Paper.

LOAN AND GUARANTEE ACT:

On motion that the House go into Committee of the Whole to Consider Certain Resolutions Respecting the Loan and Guarantee Act, 1957, Mr. Speaker, left the Chair:

Mr. Clarke, (Chairman of Committee of the Whole).

Hon. J. R. Smallwood (Premier): Mr. Chairman, this is the customary annual Loan and Guarantee Bill, which means that the Government comes to the house asking confirmation for loans it granted during the preceding year, since the last sitting of the house, when no money had been voted by the house, in the estimates and budget for certain purposes and these purposes arose during the year, when the house was not in session. The Government then, if it is anxious to give the money requested does so, usually, by undertaking to guarantee the money at the bank, and the bank then advances the money to the people who need it on the Government guarantee. Then the Government has to come before the house at the next opportunity and ask for confirmation, and then the money is paid back to the bank. In this case it is \$1,500,000 approximately. The first seven items are for education, the Roman Catholic Board of Education in Humbermouth, \$50,000; Roman Catholic Board of Education in Bay of Islands; \$60,000; Roman Catholic Board of Education in Petries, \$175,000; Grand Falls Amalgamated Board of Education \$450,000; Salvation Army Board of Education, Botwood, \$80,000 and Pentecostal As-

sembly Board of Education \$15,000 and the Roman Catholic Regional High School Board, Corner Brook, \$160,000. That is a total of almost \$1,000,000, about two-thirds of the total for the year, consisting of loans made to educational authorities by the banks with a government guarantee. Most of the rest is fishery:

Arctic Fisheries Products Limited, \$100,000; Gaultois Fisheries, \$70,000; Newfoundland Quick Freeze, Limited, \$18,500; Thomas St. George & Sons, Limited, Hearts Desire, \$13,000.

There is an item to be added. If hon. gentlemen would add to their list, John Penny & Sons Limited, \$100,000. That makes a total of \$400,000 or more for fisheries.

That leaves for the new industries: A Adler of Canada Limited, \$130,000; United Cotton Mills, Limited, \$15,000, and Eckhardt Mills Limited, \$25,000. This is by far the smallest amount that has been requested by this government from this house in respect of the new industries, since we were in office.

Now, insofar as the first seven items are concerned, (the education items), I doubt the Committee would be very anxious to have much detail of these items amounting to nearly a million dollars, \$999,000. All of these items are loans made to these various education authorities, at their request, to enable them to build or enlarge or otherwise improve some of their schools, namely those noted in the list. And of course in every instance they have been approved by the Department of Education and the Council of Education represents the churches.

Fisheries: I can explain Arctic Fisheries Products Limited, \$137,000. That is at Dildo South where they have been operating for a good many years: \$100,000 of that is a loan to them to enable them to build a new plant at Charleston, in Southern Bay of Bonavista Bay. At this moment the only plant in Newfoundland for pressing pothead whales and other whales is at South Dildo. Charleston, in Southern Bay, Bonavista Bay is another good centre for pothead whales and the company desires to build a new plant there, and indeed are doing so on the loan that we guaranteed them at the bank, approximately \$100,000. The \$37,500 was merely an incorporation into this amount of an amount they already

owed. May I explain that a loan of \$125,000 was given to this company seven or eight years ago, and they have paid it faithfully right on the dot to this moment, as and when the payments fell due, until they owed only \$37,500 of the \$125,000. It was all paid off except \$37,500. And we incorporated that with this loan to make one package. Actually, it is only \$100,000 of new money. Fishery Products Limited, \$100,000. I may explain that they own, at Long Harbour in Placentia Bay, a small fish plant, which, with the permission of the government, they sold. The proceeds of that went into the Treasury of Newfoundland, as it had to.

Mr. Hollett: How much?

Premier Smallwood: It was \$129,000. Now, what they wanted to do was to sell the property and be allowed to use the money to augment their working capital, of which they are always short. They do such a tremendous turn-over of many, many millions of dollars a year on an inadequate working capital, and Monroe is continuously trying to increase working capital. He had had two problems — the problem first of building plants and acquiring fixed property, and the second problem of obtaining new working capital to operate. Naturally the more plants he had, the more fish he handles, and the more fish he handles the more working capital he needs. So that he asked for permission to use the money he got from the sale of that property to augment his working capital. He asked if we would give him permission. We insisted that the money be paid into the Treasury, and it was so paid. At the same time we agreed to lend him an additional \$100,000 and we did, (at least the bank did), and now we ask indemnification for that.

Gaultois Fisheries Limited — \$70,000: This \$70,000 is the remnant of a transaction that occurred three years ago when the government of Newfoundland was confronted by the fact that this company was in financial difficulty, at least to this extent; that they needed some more working capital. We guaranteed \$100,000 at the bank for them. That is now reduced to \$70,000. And, although lent by the bank, it was at our request and protected at the bank by their inventory of fish. At any given moment their fish inventory is security for this loan.

Newfoundland Quick Freeze is O'Brien Brothers — The O'Briens at last "have found somewhere to go". There are three, four or five brothers of them, established in South Dildo, attached to the mink breeders or mink feed corporation plant. They attached a modern fish cutting machine, and they have increased this on a loan from us of \$18,500 to install a new ice-making machine. I may say, Mr. Chairman, that the government of Newfoundland has never made any loan, this government nor our predecessors, have never made any loan to any fish concern that gave such handsome dividends for the amount of the loan, dollar for dollar, such handsome dividends in return in the form of accomplishment, amount of fish handled, the number of persons employed, the number of fishermen from whom fish has been bought. Now, it is only fair to other operators to say that this amount we have lent to O'Brien Fisheries does not cover the full cost. It only covered the cost of physical additions which they put on to a plant which was already there. But with the plant already being there, they began with a small outlay, to get into full production of fresh frozen fish, and the O'Briens were smart enough to see that and came to the government and asked us for a small loan, which we gladly gave them and have now increased by \$18,500. And they are turning out well over 2,000,000 pounds of fillets a year — So that the O'Briens at last have found some place to go and we are very happy about it. And they have been meeting their payments strictly on the dot as they fall due. I am very happy to say that.

Mr. Hollett: They are the O'Briens of the Southern Shore?

Premier Smallwood: That is right — don't mistake this — It is the O'Brien outfit on the Southern Shore to whom we have lent money — one is Johnnie O'Brien at Cape Broyle. We lent him some, and am very happy we did, a small loan — then the other O'Brien, Ron O'Brien, we lent him \$20,000 and now this other O'Brien brother. And I think the only supporters we have are the brothers. I think the others are independent. I don't think they support any political side, at least not that we ever heard of. These O'Briens know where to go — One of them was a candidate for my hon. friends

opposite. So you see, if we find a man in Newfoundland (Like in housing) if we find a good, smart Newfoundlander, regardless of his politics we appoint him to the Housing Authority and similarly if we find an active Newfoundlander who wants to develop the fisheries, even if he is "Tory", a "Tory" candidate, we will happily make a loan to him. Now, that is a pretty good record.

Finally, John Penny & Sons, Limited, \$100,000. That is half of the cost they put up, the other half of the cost of a new dragger which they are buying to serve the frozen fish industry on that coast. I may say that this is the third time in history that the government of Newfoundland will have lent or arranged a loan for this firm. The first one was made by the Commission of Government. It was paid promptly as and when it fell due, without a moment's hesitation or delay. The second one was made by way of a guarantee of a loan by this government to the same firm, to enable them to build a dragger, which they built at Clarenville, in the shipyard there. That has been paid as and when it fell due, on that date and without any hesitation at all. So consequently we are quite confident that, as this \$100,000 falls due in installments, it too will be paid promptly on the dot.

So that is it: Education, \$999,000; Fisheries, \$435,000; leaving \$170,000 for economic development, new industries, divided into three lots of \$135,000 for Adlers, \$15,000 for United Cotton Mills and \$25,000 for Eckhardt Mills. May I say in connection with these three loans, that they are getting along very well, all three of them, especially United Cotton and Eckhardt Mills. They are doing very, very well, doing splendidly. United Cotton Mills has not enough actual working capital, not enough cash capital, and this \$15,000 was advanced because of that. Eckhardt Mills likewise have not enough working capital, and that is what this is for. They are paying their way now, but both lack working capital, and we have improved their working capital position by these small amounts.

ADLERS

Adlers are in a different position. This amount of \$130,000 is a final payment

under an amount recommended to be added to their debt, recommended by the Boston Firm, Arthur D. Little, Incorporated, the position being that they found that factory to be very efficient, the product to be excellent and their prospects to be promising, but said that they certainly needed more capital and recommended to the government that we should pay them more, lend them more. We decided to do so in three installments, and this is the final one of the three. The decision we took when we decided to make this final advance, on the recommendation of the Arthur D. Little Company, (and we so informed Adler), was that these would be the final payments whatever happened. If they cannot, with these additional payments to augment their working capital position, make a go of it, we are not going to lend them any more.

Mr. Hollett: What is the total amount they have?

Premier Smallwood: It is \$1,000,000 grand total for everything.

Mr. Renouf: Is it correct Adlers operate at a fairly substantial bonus system? I don't know the details but I understand they distribute their goods under the price of corresponding imported items and at the same time give away considerable amounts in bonuses.

Premier Smallwood: I can only say this — Not long after Adler's factory was started in Newfoundland, an altogether unprecedented cutthroat competition began in the chocolate bar trade of Newfoundland. Shortly after Adler began to operate in Newfoundland there came to Newfoundland an absolutely unprecedented cutthroat competition in the trade of chocolate bars. It is unbelievable. To start with, English chocolate manufacturers have carried out the greatest campaign of dumping in Newfoundland that Newfoundland has ever seen.

Mr. A.M. Duffy: English prices were always substantially lower than Canadian or American.

Premier Smallwood: I know that. They were always lower, but they have become

very much lower still. The Canadian chocolate bar manufacturers are feeling the pinch. All the manufacturers across Canada are feeling very, very much the pinch of English chocolate bar competition, dumping competition, in the last three or four years.

Mr. Duffy: The biggest ones have factories in Canada.

Premier Smallwood: That is true — some have. But competition here in Newfoundland today is simply unbelievable. There is no product bought and sold in Newfoundland today under conditions of such fierce competition as chocolate bars. It just so happens that this industry, which is a tidy, neat, decent industry, the only one we had from England, which had such splendid prospects, and has done very well and has done so in the teeth of a completely unexpected cutthroat competition — they must be good to be able to survive that kind of competition against the biggest giants of the chocolate bar industry of England, which is one of England's substantial industries. So that grand total of \$1,500,000 is economic development, \$170,000 is fisheries and \$445,000 is for education; just under \$1,000,000 in total.

Mr. Duffy: Mr. Chairman, I would like to say a word on this reference to Adlers. The Premier probably feels he is quite right but he is not really. In my opinion, I never thought it was very sound. The competition recently on the market is from Adlers themselves. It has been said, and I don't know if it is true, that they can sell chocolate bars at the price they do sell is only because they get the money handed out to them all the time to do business. Up to last year, March 1958, they owed \$71,000 accrued interest, without paying a nickel on capital whatsoever. In the meantime, they are underselling Canadian markets. I would very much like to see their production costs. I disagree with the reasons given. It is public money. Another thing I would like to see is the production costs for English concerns. I have knowledge of one. There is no cutthroat competition whatsoever. This particularly well-known established line is about 200 years old; and there are large English firms which have plants in Canada,

and I think we all know from our experience in buying chocolate bars at the retail level they are certainly not selling for half nothing.

Premier Smallwood: The competition is not in the retail price.

Mr. Duffy: Nevertheless fancy prices are given to retailers so they will make sure profit and quick return and get rid of them and undersell. The fact remains, I do not think Adlers is sound at all despite the aid they get here. They cannot pay interest on loans, they can pour money out and down the sink and I don't think we will ever see a sight of that million dollars.

Hon. M.M. Hollett (Leader of the Opposition): Mr. Chairman, I agree entirely with what has been said already by my hon. colleague with regard to this particular guarantee to Adlers of Canada for \$130,000. I suppose they need that to pay the advertisements I see on television whenever I look at it. This and other things must be costing a tremendous amount.

Premier Smallwood: That is true. A large part of it is for advertising.

Mr. Hollett: I don't see why the people of this country should pay all that for advertising Adlers chocolate bars. \$130,000 is a lot of money from the people of this country.

Premier Smallwood: That is the final payment.

Mr. Hollett: When are we going to stop? The hon. the Premier says it is the final payment. It is just possible they may tomorrow pay someone to take over this like something mentioned here before. With the grants to the Boards of Education, of course, I have no quarrel, and I don't think any Newfoundland would have any quarrel with regard to monies to the various denominations to forward education. Regarding the fisheries I am not quite so sure I agree with everything that has been said as to the justifiability that is a good word of making these big loans to some of these so called big companies to the detriment, I believe, of the smaller man, the little man. It has already been stated right here by the

hon. the Premier about the O'Brien Brothers being only made small loans and they have a proportionately better result as far as the people of the country than any of the larger loans of four and five millions and some of two and three million dollars.

Hon. J.R. Cheeseman (Minister of Fisheries): Where did you get that information?

Mr. Hollett: From the hon. the Premier about five minutes ago.

Mr. Cheeseman: No, you did not.

Mr. Hollett: I am quite sure the hon. Minister of Fisheries must have fallen asleep — If the hon. minister would like to take the floor I will yield. There is another word I want to say in regard to United Cotton Mills, Limited; \$15,000 — Now I understand United Cotton Mills and Terra Nova Textiles, I believe are under more or less the same management. Now we are continually giving loans — I must say this is not so large as some of the others — The point I want to make is this — I want to be corrected if I am wrong. I believe that if tenders come in from United Cotton Mills there is a different rating as far as the requirements necessary to obtain that tender for the United Cotton Mills and Terra Nova Textiles than there is for other people who are Newfoundlanders.

Premier Smallwood: No, that is not so. There is a 15% preference given by the government, from the first month it was in office, under Order in Council, which paid at that time 15% preference given for the purchase of goods that the government purchased when these goods are of Newfoundland manufacture or origin, as against mainland. That is the only preference there is.

Mr. Hollett: I wonder if the hon. the Premier is quite right? My impression is that 15% preference is given to these people to whom we are making loans, over and above any people manufacturing here in Newfoundland.

Premier Smallwood: No, you are utterly wrong. It is not so.

Mr. Hollett: I would like to have that properly checked.

Premier Smallwood: I checked and know it is not so.

Mr. Hollett: Well, I hope that is correct.

Premier Smallwood: The Minister of Supply, who buys everything, can give the answer. He is here.

Mr. Hollett: I don't know if anybody can give the answer right off now.

Premier Smallwood: Yes, immediately — Why not?

Mr. Hollett: Do you expect the hon. Minister of Supply to divulge that information?

Premier Smallwood: Why not divulge it?

Mr. Hollett: I would like it definitely established that it is not so. I don't think the people in Newfoundland, breaking their necks trying to pay salaries of their helpers, trying to manufacture clothing and that sort of thing should have 15% against them all the time, over and above.

Premier Smallwood: It would be outrageous if it were so.

Mr. Hollett: It is outrageous if it is. Well, with regard to Eckhardt Mills, I pass there very often, probably every week or so pass by and really look in at the place. I certainly do wish they would put up a fence or something. Eckhardt Mills does not look presentable. It is almost as bad as Superior Rubber, and I do hope some of the money here, \$25,000, will be used to make that look more like an industrial outfit than it looks. Fishery Products — Here it is again \$100,000. That must be pretty near the \$5 million mark, and I don't know just how long this is going to continue. Of course we have no objection to monies going into the fishery as long as our people are benefited. When we come to look at the fishery we find this fact staring us in the face — In 1957 there were 367,000 quintals of light salted fish; in 1959 there were 208,000 — and the same applies to heavy salted fish and unfortunately the same applies to the fresh frozen

fish industry. But I think I had better leave that until the fisheries estimates come up when we can talk about it more. We have very little objection to very little of this. John Penny & Sons are to get a new dragger — We are glad as that is needed there probably more than on any other part of the coast. I do hope the hon. the Premier will see that the matters in regard to the Cotton Mills and so on are cleared up.

Premier Smallwood: Mr. Chairman, just one word — When Newfoundland became a Province of Canada the Associated Newfoundland Industries, now absorbed into the Canadian Manufacturers Association, made a powerful appeal to the government of Canada on behalf of the Newfoundland factories, and the Canadian government made a ruling that, for the first three years, (I think it was) of Confederation they would give a preference of, I think, 20% in their purchases in Newfoundland to Newfoundland producers of goods. In other words, they purchased from Colonial Cordage in Newfoundland if the prices Colonial Cordage quoted them was not 20% higher than they could get it elsewhere in Canada. If it were footwear, pants and so on, they were prepared to pay as much as 20% more for the Newfoundland product then they could buy that product for elsewhere in Canada. That was to cushion the shock to the local factories resulting from Confederation. It was a preference of 20% and lasted for three years. That was the government of Canada and not the government of Newfoundland. The government of Newfoundland, in the first month of Confederation, passed an Order in Council, which is still in effect, still is law, that in the purchases of all kinds, — purchases for the hospitals and institutions and government departments generally, it would accord a preference of 15% in favour of Newfoundland produced goods. They continued to do that. If we buy blankets, we will pay 15% more to buy Newfoundland blankets than we will to buy mainland blankets. The same thing applies to food and bedclothing for hospitals and so on. We have continued and we propose to continue until we are stopped. If we are stopped, we propose to continue paying up to 15% more for Newfoundland produced goods. We have thought it out, and we have come to this conclusion: It pays Newfound-

land, it pays the population of Newfoundland for its government, using its money, (that is the people's money) for its government using its money to spend as much as 15% more than it need spend by buying the local article rather than the mainland article. On balance, that is good for Newfoundland. We think that is so.

Mr. J.D. Higgins (St. John's East): Mr. Chairman, may I ask one question? Does the question of quality enter into the Government's thinking at all?

Premier Smallwood: Of course it does. Mere price alone is not at any time enough. Mostly the question of quality is settled for the Government by the permanent officials. For instance, the Minister of Supply has by no means a free hand when it comes to buying drugs. Suppose we buy a million dollars worth of drugs a year for the hospitals, the Minister of Supply has not a free hand, he buys the drugs he is told to buy and who tells him? The doctors in the hospitals, obviously. So similarly with a lot of things where he has no choice but to buy the brands or particular products he is told to buy. But where he has a choice, he has to take quality into account, and quality for quality he is permitted, in fact he is instructed by a Standing Order of Cabinet, to pay as much as 15% more. Now that applies to United Cotton Mills and to any others, but it is not 15% for one local Newfoundland factory against another local Newfoundland factory, it is only 15% for any Newfoundland firm against any other firm. I assure my hon. friend of that. He will, in the Opposition, receive all kinds of complaints, naturally, from those who fail to have their tenders accepted. All the people whose tenders are not accepted gravitate straight to the Opposition, and many and many a man comes to me and complains of tenders he did not get. I say — The best thing is to go straight to the Opposition and tell the Opposition and they will table a question and information will be brought down on the floors of the house. I had a man come to me just a few days ago whose tender did not get the job, and I said: Take it to the Opposition. They will table a question and the facts will come out and if there is anything wrong I want to know. I want to have it brought out, and every minister in

this government knows that. We are proud of that — We may slip up occasionally.

Mr. J.D. Higgins: Like mouth-wipes and things.

Premier Smallwood: That is it exactly. We may slip up occasionally. Slip ups occur occasionally in the best regulated families.

Mr. Hollett: We never got the correct answer about mouth-wipes.

Mr. Higgins: We tried.

Premier Smallwood: That slips my memory. I don't remember the details — that was five or eight years ago.

Mr. P.J. Channing (Placentia West): Mr. Chairman, I have a few remarks to make on this — I will be brief. The Premier said he was happy and the Government was happy and apparently the Opposition are not too unhappy over these loans.

Mr. Higgins: We are resigned.

Mr. Canning: But I have to admit that I am not too happy. I know another body of people who are not too happy and that is the fishermen who are catching fish for those plants where this money is going. Sir, if I thought that the house would agree with me that, instead of considering these as loans, if the house passed them as gifts to the plants — I think it is just as well judging from the report I have here, given to me on loans made. If we were to give them as gifts, with one stipulation, and that is a guarantee that the operators of these plants will pay to the fishermen 75% of the price paid to fishermen of Boston or any New England ports, I would be quite happy. There is one remark the hon. Leader of the Opposition made I cannot agree with. He said we should give loans to the smaller men.

Mr. Hollett: I did not say any such thing.

Mr. Canning: The smaller operations.

Mr. Hollett: I did not say any such nonsense — quote me correctly.

Mr. Canning: I believe he said it paid to give

loans to the smaller operations than the larger.

Mr. Hollett: That was the hon. the Premier's statement.

Premier Smallwood: I did not say that either. The hon. Leader of the Opposition said he rather deprecated these large loans going to large concerns, but did not go on to say he would rather see them go to smaller concerns. He merely deprecated.

Mr. Hollett: It did not give the little fellow a chance.

Mr. Canning: What argument is that? — the Government should have given loans to individual fishermen. I just had the figures here this afternoon, just before this Bill came in, and made up the cost of a long liner of 60 feet, and I have figured out how long it would take a fisherman in certain sections of Fortune Bay who acquired a long liner to pay her back if given a loan of \$55,000 to buy her. I have figured out just how long and just how old he would be when he got it paid out. Anyone who would get a pencil and paper and would take down the figures would find: The cost of the long line, \$50,000. The average earnings of fishermen in certain sections of Fortune Bay takes on a long liner and has no carrying charge, could live on air and have no depreciation charges, he will own the dragger after 150 years. The dragger has been worn out 10 times in the meanwhile. Their average life is about 15 years, and giving the fisherman an average life of 50 years, he had died three times.

Mr. Hollett: Was he buried?

Motion, resolution carried, passed.
On motion that the Committee rise and report having passed these resolutions, Mr. Speaker resumed the Chair.

Mr. Clarke: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report having passed the resolutions and recommend a Bill be introduced to give effect to the same. On motion, report received. On motion resolutions read a first time. On motion resolutions read a second time. On motion Bill read a first time. Motion that

this Bill be now read a second time, by leave of the House.

Mr. Hollett: Excuse me, Mr. Speaker, are we still on the Act in which we were in Committee? — because I am a bit confused as there are two different Acts very much alike.

Hon. L.R. Curtis (Attorney General): Yes, the resolution was read. Actually, just so the record might be straight, I think we might at this stage agree to the total in the resolutions read and passed. I know they have been read now. It should have been increased by that \$100,000 for Penny & Sons, and, instead of \$1,400,000 it should be \$1,800,000. If the clerk will note that amendment, with the consent of the house.

On motion Bill read a second time, ordered read a third time on tomorrow.

Mr. Curtis: I think we could have a bit of fun now, we have worked pretty hard today:

CITY OF ST. JOHN'S ACT:

Second Reading of a Bill, "An Act Further To Amend The City of St. John's Act."

Mr. Speaker: I think the Leader of the Opposition has the floor. One moment, if the hon. member will excuse me I want to put the record straight — The hon. Leader of the Opposition moved the adjournment of the debate. That does not necessarily mean he has to continue the debate now, so the hon. member for St. John's North has the floor. He is so far perfectly in order.

Mr. G. Nightingale (St. John's North): Thank you, Mr. Speaker. I know I am not very often in order. I would say this is the most contentious clause ever placed before the citizens of St. John's North, South, East and West. This is an amendment to an old Act — This Act reads that the resident or householder must clear the snow from the sidewalk of every store and house on Water Street, Duckworth Street and the roofs of buildings, and clear snow from such places as the city may order. Now, the amendment finished up with every street within the city. I know that would be a pretty hard thing on

the halt, the lame and the sick, the widow and the spinster, all these people. And talk about your householder. In this modern time why should we, with an income of \$2,500,000 have to go to work and get a pick, if the winter were like this, and pick the snow off the sidewalks only to find that in the next half hour it has snowed in again or has been snowed in by the street plow. This thing, mind you, calls for a fine of \$20 or 30 days. It would be better to go down for 30 days, then you would not have to plow any more now. I might say, Mr. Speaker, that this is really a pretty hard thing on the residents and I don't think this particular clause should go through. I might tell you, Sir, there is another angle to this thing, the prevailing winds. I know some people live on one side of the street who never stop clearing snow while the other fellow on the other side can laugh at him. In the winter-time we have prevailing winds, and if you happen to live on a certain side of the street you get all the snow. I might say, Mr. Speaker, while on my feet, this is really a most contentious act and puts a gun in the hands of the city council.

Mr. J.D. Higgins (St. John's East): If they had a gun they would have used it long ago.

Mr. Nightingale: I know that — They would have shot me long ago. That is the reason the citizens depend on me and like me to stay alive. I am sure the members of St. John's agree with this. It is contentious and should not be allowed, should not be permitted.

Mr. Speaker: An amendment at this time would be out of order. It can be amended or dealt with or considered again and certainly will be considered in Committee of the Whole.

Mr. Higgins: The hon. member who just sat down talked about prevailing winds. I may say that wind prevails in other places and has for some considerable time, not that it carries with it any particular malignant substance but I would say it is just capricious and blows up from time to time. But, Sir, I would be remiss in my duty to other members of the Municipal Council, of which the hon. gentleman is also a member, if I did not remind the house that the Bill submit-

ted here for consideration of the house represents the decision of the St. John's Municipal Council in assembly and represents their collective responsibility. If that has any meaning, one would have imagined that would have effectively silenced any protests the hon. member might have had. However, now that he has — and I may say this, Mr. Speaker, he has elected to refer to one section only of this proposed legislation as being offensive, and the grounds on which he based his objections are that the halt, sick, the blind and the lame will be liable to penalties for failing to carry out the requirement of this legislation. It is hardly necessary to remind this house, Mr. Speaker, and certainly should be entirely unnecessary to remind the hon. gentleman who just sat down, the halt, the sick, the blind and the lame can be and always are exempted by the St. John's Municipal Council from payment of any taxes in any form whatsoever or requirement to carry out any object imposed by Council regulations. So, Sir, that argument is completely pointless. It is misleading. It is mischievous. It is a most blatant type of appeal, to uninformed people. I do not sit down, Mr. Speaker, — I feel strongly about this point — The hon. gentleman asked for it and is going to get it. He has been told before he came into the Chamber today, if he raised this point he could expect to be answered by any member if the council is in a position to do so. I am the only one in this Chamber, at least who can speak for these unfortunate people who have had to listen to this for a long time. As I say, the hon. gentleman's objection is based on a completely invalid and unsound ground, it is an appeal to prejudice, an attempt by the hon. gentleman to hold himself out as the saviour of the unfortunate taxpayers of the city. It is an appeal, I say, Mr. Speaker, without any virtue whatsoever.

Now, Sir, may I point out that all this proposed amendment proposes to do is give to the council the powers in the event of a heavy snow fall such as occurred this year, of requiring that householders in any part of the city can be required to clear off the sidewalks in front of their homes. There is nothing extraordinary about it. There are people who live on Job Street, there are residential parts of Water Street, such as in the eastern portion, where the people are

required to do that, and all this legislation asks for is to give the council the right in appropriate circumstances to require citizens to co-operate in an emergency. If a motorist leaves his car in the middle of the street, there is legislation which gives the council the power to take that vehicle away and charge the owner for the cost. It is exactly the same principle. This gives the council power, in default of removal of snow or ice as required, the council can do it and if it so desires recover the cost of so doing from any person. It does not say, Mr. Speaker, that the council "shall" or "will" but that the council "may" in appropriate circumstances.

Hon. L.R. Curtis (Attorney General): I don't want to interrupt my hon. friend. He is comparing a man with a motor car.

Mr. Higgins: The position is that the council does not have to do it, but it has the right to remove a vehicle that obstructs traffic.

Mr. Curtis: When left there by the owner?

Mr. Higgins: If the householder allows snow to accumulate — and I say only in an emergency and as happened this year, council equipment can't hope to handle all these things, the council merely asks for the power to say "clear off your sidewalk". If a man refuses, and the council is in a position to do so, the council will send men and charge whatever it costs. That is such a peculiar argument that it is hardly worthy of the dignity of a response, but in the peculiar circumstances which arose I certainly could not sit and allow the hon. gentleman to make mountains out of molehills, or what is not even a small molehill.

Mr. G.R. Renouf (St. John's South): Mr. Speaker, I too would like a brief word on that point, certainly not in the dual capacity of councillor and member of this assembly. I do agree that this particular clause is going to be most contentious, and I believe that the humour which pervades this Chamber this afternoon will not be reflected by the taxpayers of St. John's when they hear of this clause. I feel that the council have their problems. I, as well as other citizens, am right behind them in good job that they are doing (our two hon. colleagues in the House

included) but I am rather amazed that this clause should be inserted in this Bill. We have a peculiar situation in this city and in this country. We could have a winter that would start in November or earlier and we could have snow that would fall in fits and starts from then until the first of July, the first of June. We also have a very peculiar city where there are hills and terraces. Can you visualize the people in these small, narrow streets up in the centre of the town trying to clear the sidewalks, which in some cases are nonexistent and where they blend in with the streets. There are going to be all sorts of controversies in this Act and trying to make it apply in a common sense way. But without going into all that detail, I do agree with what the hon. member for St. John's North said. Whereas the council only has enabling powers in this and they may not use them, nevertheless citizens can be forced to clear snow themselves. It is a responsibility of the council.

Mr. Higgins: Where else in the world does the council do it?

Mr. Renouf: I will tell you that in a moment, Sir. The position as to labour in this town is extremely difficult. You will have women, wives in this town whose husbands are working in Labrador, working on the railway and elsewhere and will be at home at very infrequent intervals. That wife and that widow and so on will have to get a man to do the work.

Mr. Higgins: How can a widow have a husband working in Labrador?

Mr. Renouf: If she is a widow, she will not, but she will have to pay some one to clear the premises of snow, and she will not get a man to clear the sidewalk from ice and snow under five dollars. She could spend five dollars on Monday and on Tuesday she could possibly be burdened with snow, and it could cost \$35 a week to keep the sidewalk clear.

Mr. Curtis: Where is she going to put the snow?

Mr. Renouf: Put it out in front of the snow plow and she will find not once but twice or three times a day the snow is piled back

again. Then there is this position — Why did the council not think? — They may have, I don't know and I don't want to be unfair, all angles may have been discussed — I would think first of all there are small compact tractors which can run along the sidewalks in a few minutes and the snowfall would not have time to form into ice. A few inexpensive tractors could run along the streets in half a day and eliminate this. In Ottawa, I believe some such system exists. There of course, the sidewalk clearings are thrown into the ditch and carried away. In this particular problem here there would have to be a pick-up or clear-away system because householders would never be able to keep what they cleared away from coming back in again, unless there was an effective, pick-up system for carting the snow away.

Now, Sir, I think this section of the Act is going to annoy the citizens of St. John's and I think moreover, in fairness to the council, it is going to cause a lot of ill-feeling against the council. I honestly feel, Sir, that they should have another look at this particular clause. I really find it hard to understand why they are inserting this clause in the Act, and I am very much against this. I think there is an alternative as I said a moment ago, a team of small tractors would eliminate this burden on the human back.

Mr. Hollett: Mr. Speaker, I feel there is some disagreement on this side of the house. I have at this time to rise to my feet to support the attitude which has been taken by my hon. friend from St. John's South, although my association with him is much more brief than my association with the hon. and learned member for St. John's East. I do think that this section is absolutely silly. I do not know why the St. John's Council ever allowed that to go into this Bill, which they ask this house to enforce. Who is using the sidewalk? I use the sidewalk along by my house and on Duckworth Street. Who walks on them? Everybody. Therefore, everybody should contribute and not just have me go out with a shovel, and, as my hon. friend says, some poor cripple or widow must get out a shovel. If not, along comes the police and gives them a summons to go to court and get fined \$20. I think the idea is silly.

The hon. member for St. John's North

raised the point about the snow. I had some experience of that myself last year. I have no sidewalk where I live, and hope we never get it if I have to clear the snow off. But, Sir, I cleaned the snow off myself last winter, taking three or four hours to clear the snow out of the driveway. Not only that, where the sidewalk is supposed to be I put it all on each side. There was nowhere else to put it. I got the car out, came down here to my office and that afternoon went back at 5 P.M. and there was five and a half feet of snow right along the place where I had cleared, that would have been on the sidewalk. That brings out my point my hon. friend from St. John's North has already brought out. I think it is absolutely silly. If anybody is going to make a job of the sidewalk it must be some authority. Naturally, the only authority is the City Council. They can clean the whole sidewalk along the whole street and not do five or 10 feet here and nobody living there, and then along further somebody else has it cleared, some poor widow, and then another bank of 10 or 15 feet and then somebody else has it cleared off. This means it is only partly cleared. What is the point? Are you going to make John Jones, who has a house on the street, clear the street for everybody to walk along. I think if the streets have to be cleared, they have to be done by the general public who use the sidewalks. Otherwise why not make me get out and clear the whole street opposite my house and not only the sidewalk? Why not the whole street in front of my house?

Mr. Speaker, I won't say any more. I am quite sure this is not a government Bill, and I am quite sure the hon. the Attorney General is not going to ask the hon. members over there to support this Bill. It is not a government Bill and therefore the defeat of this particular section would not in any way affect the government. So that I would appeal to all members in this house, all hon. members in this house, to throw that out, throw section (8) out. It should not have been in there. It is not fair. It is unjust, and the people would be caused suffering, and I for one am very much against it, and I do hope, Mr. Speaker, this house will not see fit to pass that particular section.

Hon. B. J. Abbott (Minister of Municipal Affairs): Mr. Speaker, in answer to the re-

marks of the hon. Leader of the Opposition I may say that this is definitely a non-partisan measure. It was made clear when the Bill was introduced that it was not a government Bill.

Mr. A.M. Duffy (St. John's Centre): Mr. Speaker, I find it very painful to be opposing my colleague from St. John's East.

Mr. Higgins: Ex-colleague.

Mr. Duffy: We have so much in common and see eye-to-eye. For the reasons given by previous speakers I feel I must oppose it. I think one of the points brought up by the hon. Leader of the Opposition — after all sidewalks are public thoroughfares — and if we are to be subjected to the responsibility of cleaning sidewalks, I suppose it would not be unreasonable for the council to expect us to clear off the middle of the street. There were other objections given by other speakers. I think at the same time the member for St. John's North should not oppose what is a party measure of council, which I don't doubt he is bound by.

Mr. Higgins: Not only bound, but stoned when he gets home.

Mr. Curtis: Mr. Speaker, it is quite correct, Sir, that this is not a party measure. Therefore, members on this side of the house are free as are all the members of the house to give their own personal opinions on the Bill. I would suggest that we give the Bill second reading in its present form, reserving our rights, as we always do, to oppose any particular section when it reaches Committee stage. I say that because I have just been reading this section which was referred to, and I don't believe even my hon. friend from St. John's East, when he hears this section read, will agree with it. Now I understand my hon. friend is living on Cochran Street. He is very fortunate because he is within a stone's throw of the harbour. Look what this section provides — "The occupant of any building on any land situate on any of the following streets in the city, namely, Water Street; Duckworth Street, New Gower Street (and then by this amendment) or any other street in the city to which the provisions of this section are by regulations applied". Now listen, listen to

what they have to do: "Shall remove all snow and ice from the roof of such buildings and from the sidewalks and surface drains" (not only the side walks but we have to clear the drain) in front of such buildings or land within 12 hours after such snow or ice shall have fallen".

Now, that is bad enough but adds "or forms thereon". Now what does that mean? They have to do it within 12 hours, and have to deposit same within the same time within the waters of the harbour of St. John's or other place named by the Council for that purpose. I hope they don't name the gut at Quidi Vidi Lake. So I think, Mr. Speaker, this is a function that should really be in the hands of the council. It is certainly not a matter for this legislature. I think this is a matter for the council, and I do think the council should have the power to enforce the question of snow removal, because if we cannot trust the City Council with the management of the city, what can you do? At the same time I think the power they are asking is an extraordinary power and I think it is something we ought to seriously consider before we give it to them, although I will admit this is a power they should have — Who else is to have it? Actually I don't think the law has been observed in the past. They have not been able to observe it on Duckworth Street.

Mr. Higgins: We can't when we have Benedict Arnolds in our midst.

Mr. Curtis: Now that we are getting more streets, I frankly don't know what attitude I will take when this Bill gets into Committee. I really don't know. I can see all kinds of difficulties. I own a house on Prescott Street. It is rented to a tenant. That tenant is paying me \$35 or \$40 a month.

Mr. Higgins: For a house today.

Mr. Curtis: I must say my rents are frozen, as at the date I left the office. Now look at what happens. If the owner of that house were in Newfoundland or in Timbuktoo, he is liable to the council for the removing of that snow, and he is every day, and could be fined 50 times or even more often, seven times a week if we have storms like last winter. I am responsible, as owner of the house, not the person in it. There may be a

bunch of young men in that house but they are not responsible, I am. And I have to see the roof is cleared, — and if it is not I am liable to a fine, or the council can do it at my expense, and I can come back on a widow living in the house and say, "you have to pay me that money". Really, there should be some better method than that. I can quite imagine how busy the courts will be next winter should the council decide to extend this regulation to many streets in the city. Just imagine, they can clean off every street and apportion the cost for every square foot, the cartage, bringing the snow to the harbour, and then sue me for it. Then, when that is done, I have to go to court and sue the tenant. I don't know what is going to happen. I have two tenants in the house, one upstairs and one down. I don't know which one I would have to sue, or whether they have to divide up on a footage basis or what. I have to prove how much each of the tenants owes. I have been renting houses in the city for \$70 and the tenants are renting to sub-tenants for \$100. Who is to pay that cost? I have to pay first, and then my tenant and the sub-tenant. I think really we are up against a proposition that we should not be laughing at. It is a situation we have to face. For that reason, Sir, I would suggest we do give the Bill Second Reading, but when it comes to Committee we might entertain ourselves considering this clause in the light of more details.

Hon. M.P. Murray (Minister of Provincial Affairs): Mr. Speaker, I don't know if I should enter the debate. I have reverted to my former status of an out-harbour man, resticated myself etc, so I don't know whether I should speak in the debate which applies purely to the citizens of St. John's. It does seem these are very onerous responsibilities which could be put on citizens under certain conditions. I realize, as the hon. member for St. John's East made the point, this merely enables the council, and I think the council could be depended upon to act with restraint and dignity;

Mr. Higgins: Some of them.

Mr. Murray: I think the Hon. the Attorney General has found the proper solution. Let us accept the Bill in principle — I think the council should be given certain power to act

in case of emergency, but as things stand this is capable of amendment, and I think we can come to a solution to satisfy us.

Mr. Speaker: This Bill deals with quite a number of matters, so the principle is merely that the council be empowered to make certain changes in the Act, so that this clause or any other can be dealt with in Committee without infringing on the rules of Second Reading, the principle having been passed.

On motion, Bill read a second time, ordered referred to a Committee of the Whole House on tomorrow:

On motion of Mr. Curtis all further orders of the day do stand deferred.

On motion the house adjourned until tomorrow, Thursday, at three o'clock.

Thursday, June 11, 1959

(Afternoon Session)

The house met at three o'clock.

Mr. Speaker in the Chair.

ROYAL ASSENT:

His Honour the Lieutenant-Governor arrived to give assent to certain Bills passed in this present session of the House of Assembly.

Mr. Speaker: May it please Your Honour, it is my agreeable duty on behalf of Her Majesty's dutiful and loyal subjects Her Faithful Commons in Newfoundland, to present to Your Honour a Bill for the appropriation of Interim Supply granted in the Present Session.

"A Bill, "An Act For Granting To Her Majesty Certain Sums of Money For Defraying Certain Expenses of the Public Service For The Year Ending the Thirty-First Day of March; One thousand Nine Hundred and Sixty And For Other Purposes Relating To The Public Services."

His Honour: In Her Majesty's Name I thank Her loyal subjects, I accept their benevolence and assent to this Bill.

Mr. Speaker: May it please Your Honour, the General Assembly of the Province has at the present session passed certain Bills to which, in the name and on behalf of the General Assembly I respectfully request Your Honour's assent:

A Bill, "An Act To Amend the Labrador Lands (Reservation) Act."

A Bill, "An Act To Authorize the Lieutenant-Governor in Council To Enter Into An Agreement With Anglo-Newfoundland Development Company Limited and American Smelting and Refining Company."

A Bill, "An Act To Amend The Wabush Lake Railway Act, 1955."

A Bill, "An Act Further To Amend The Newfoundland and Labrador Corporation Limited Act, 1951."

A Bill, "An Act To Authorize The Lieutenant-Governor in Council To Enter Into An Agreement With Newfoundland and Labrador Corporation Limited and Canadian Javelin Limited, and to Provide Certain Statutory Provisions for the Same Purpose."

A Bill, "An Act to Authorize the Lieutenant-Governor in Council to Enter Into An Agreement with Newfoundland and Labrador Corporation Limited, Canadian Javelin Limited, and Wabush Iron Co., Limited, to Provide Certain Statutory Provisions for the Same Purpose and to Make Certain Amendments to the NALCO-Javelin (Mineral Lands) Act, 1957."

A Bill, "An Act Respecting a Private Mining Carrier Railway in Labrador."

A Bill, "An Act To Authorize the Lieutenant-Governor in Council To Enter Into An Agreement With Wabush Lake Railway Company, Limited, Northern Land Company Limited and to Provide Certain Statutory Provisions for the Same Purpose."

His Honour then said "In Her Majesty's Name, I assent to these Bills."

His Honour then left the Chamber.

Mr. Speaker resumed the Chair.

Mr. Speaker: I have to inform the house that at 3:15 P.M. today His Honour the Lieutenant-Governor was present in this Chamber and gave Royal Assent to certain Bills passed in this present session.

Presenting Petitions:

Mr. A. Mifflin (Trinity South): Mr. Speaker, I beg leave to present a petition on behalf of the residents of Little Harbour and Pope's Harbour. The prayer of the petitioners is that a road be constructed from Burying Ground Cove, Little Harbour, to Pope's Harbour and from there to Bonaventure. I support the prayer of the petition and ask leave to lay it on the table of the house and ask that it be referred to the department to which it relates.
On motion, petition received.

Mr. Mifflin: Mr. Speaker, I beg leave to present a petition on behalf of the residents of Deer Harbour for a road from that place for a distance of seven and a half miles. I support the prayer of the petition and ask leave to lay it on the table of the house and ask that it be referred to the department to which it relates.
On motion, petition received.

Giving Notice of Motions:

Hon. E. S. Spencer (Minister of Finance): Mr. Speaker, I give notice I will on tomorrow ask leave to introduce a resolution in relation to providing for the salaries for the Controller General and the Comptroller of the Treasury.

ANSWERS TO QUESTIONS:

Hon. L. R. Curtis (Attorney General): Mr. Speaker, I might say, in answer to question No. 35, asked the the Hon. member for St. John's West (Mr. Hollett) as to what relief was claimed in the action against the Federal Housing. The relief claims was general damages. No amount was specified. The second question he asked was to table any recent correspondence between the Federal government and Provincial government. I know of no recent correspondence. The third point raised by my hon. friend was, has there been any delay in putting in tenants because of this action? The answer is: No! In fact, absolutely contrary to ordinary, common decency the writ was issued and while the claim for injunction was before the Supreme Court, 15 of these apartments have been passed from the Central Mort-

gage and Housing to tenants, without consultation with the Housing Authority.

ORDERS OF THE DAY:

Hon. M. M. Hollett (Leader of the Opposition): Mr. Speaker, there seems to be some difference of opinion between the hon. Minister of Health and Mr. Davis of the "TB" Association as to the incidence of tuberculosis, as I noticed in the press. I was wondering if the hon. minister would like to make some comment on that. It is rather unfortunate, I think, to see the statement of the hon. minister side by side in the public press with the statement of Mr. Davis. I wonder if he would like to comment?

Dr. J. McGrath (Minister of Health): Mr. Speaker, I would be glad to — Unlike other more prominent politicians I do not have to go back on my figures. The hon. Leader of the Opposition perhaps did not hear distinctly what I said. I said pulmonary tuberculosis, i.e. tuberculosis of the lungs. Mr. Davis referred to the all-over figure for tuberculosis, i.e. tuberculosis of the bone, kidney and various other organs from which, of course, there is an appreciable death rate. But, in discussing tuberculosis I am afraid, in Public Health, we have a tendency to think in terms of pulmonary tuberculosis. That is, of course, the type most dangerous in the sense of being infectious to others. The man with tuberculosis of the kidneys may be perhaps unfortunate enough to die but rarely transmits the disease. Any discrepancy in the figures is only apparently a difference in detail; one from pulmonary tuberculosis and the other the gross death rate from tuberculosis in any other form. I trust that answers the gentleman's question.

Mr. Hollett: Thanks!

LEGISLATION: 3RD. READING:

Third Reading of a Bill, "An Act To Amend The Education (Teachers' Pensions) Act" — On motion Bill read a third time, ordered passed and title to be as on the Order Paper.

Third Reading of a Bill, "An Act To Amend The Urban And Rural Planning Act." On motion Bill read a third time, ordered passed and title to be as on the Order Paper.

Third Reading of a Bill, "An Act To Restrict Travelling Through Forest Land." On motion Bill read a third time, ordered passed and title to be as on the Order Paper.

Giving Notice of Motion:

LEGISLATION: M.U.N.

Hon. the Premier asks leave to move the house into a Committee of the Whole To Consider Certain Resolutions Respecting "An Act To Provide For The Construction of Additional Buildings and Improvements For The Use Of The Memorial University of Newfoundland." On motion, Mr. Speaker left the Chair. Mr. Clarke (Chairman of Committee of the Whole).

Hon. J. R. Smallwood (Premier): Mr. Chairman, I do not know whether the Committee would prefer to have the debate at this stage, (Resolution Stage), or pass the Resolution and debate it at the Bill stage. If the Resolution passes now and the Bill comes up immediately after, we could have the debate on it then.

Agreed that debate take place on second reading.

Mr. Hollett: I wonder, Mr. Chairman — "Her Majesty in right of Newfoundland represented by any Minister of the Crown designated by the Lieutenant-Governor in Council for the purpose may take a lease of the lands conveyed to Memorial University of Newfoundland Building Corporation Limited pursuant to Section (3) and buildings and improvements erected there on in pursuance of the provisions of an agreement made under Section (2) from Memorial University of Newfoundland Building Corporation Limited, and the lease may be for such terms of years, upon such terms and conditions and for such consideration as the Lieutenant-Governor in Council may approve." I wonder if the minister could give us some idea about that now?

Premier Smallwood: The plan is that some 60, I think, of the 80 acres or 80 of the 110 — some 60 of the 80, I believe — Anyway, from memory I would say the ground is over 100 acres, something of about half the acreage of the ground on which the University is to be built shall be segregated from the remainder, and title to it or that it be part of the building for the purpose of mortgage. You see this company will build the university for us, five buildings, and when they are completed passed the key over to us and we will occupy the buildings; the University will occupy them. The government will begin to pay for them, and in 25 years have them paid for. But until they are paid for, they are the property of the people who built them. We are setting up a Crown Company to conduct this whole transaction just as we did for the Confederation Building. The 60 acres and the five buildings on the land and any other buildings that may be put up would be owned by the Crown Company, the only owned Crown Company. But they in turn would have to give mortgages to the people putting up the buildings, until paid for, at the end of the 25 years. So it is a lease of that land that we will have until the whole thing is paid for.

Hon. M. M. Hollett (Leader of the Opposition): A lease from the Crown Corporation?

Hon. L. R. Curtis (Attorney General): A Lease — We are setting up a new corporation. That corporation will be entirely government owned.

Mr. Hollett: Who pays rent to whom?

Premier Smallwood: The Newfoundland Government will pay rent to this corporation and this corporation will use the money to pay the mortgage interest, amortization. They will pay that by 25 annual installations, which will be called rent.

Mr. Hollett: These facts will come out in the Second Reading.

Mr. G. R. Renouf (St. John's South): There is one point — I do not know if this is the time to ask — how do they work out the mechanisms of the Art Building built or partly built by the Canada Council?

Premier Smallwood: I thought we were going to have the debate at second reading.

Mr. Renouf: In case that point would not be dealt with.

On motion, Resolution carried:

On motion that the Committee rise and support having passed this Resolution.

Mr. Speaker resumed the Chair.

Mr. Clarke (Committee Chairman): Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report having passed certain resolutions and recommend that a Bill be introduced to give effect to same. On motion, report received.

On motion, resolution read a first time.

On motion, resolution read a second time. On motion a Bill, "An Act To Provide For the Construction of Additional Buildings and Improvements For the Use of the Memorial University of Newfoundland," read a first time.

Mr. Curtis: Would the house, Mr. Speaker, give unanimous consent to have the Bill read a second time now?

By leave motion is that this Bill be now read a second time.

MEMORIAL UNIVERSITY:

Premier J. R. Smallwood: Mr. Speaker, this university plan is identical with the plan under which the Confederation Building is being provided and constructed, i.e. the Hanson & Hanson Organization will build the five structures in exact accordance with the plans and specifications as handed to them. They will build the buildings that they are obliged to build according to the plans and the specifications. The government, of course, for whom ultimately the buildings are being constructed, will, through its own representatives, especially in the Department of Public Works (and particularly Mr. Conroy) see from hour to hour and day to day throughout the period of construction that the buildings are constructed precisely in accordance with the blue print and specifications. Now, that is exactly what is being done in the Confederation Building. When the buildings are built, at the expense of the Hanson Organi-

zation, they will be passed over to the Crown Company, the only owned Crown Company who are to own the University buildings and land on which the buildings are erected, and the Crown Corporation, over a period of 25 years, will pay an annual amount to the Hanson Organization, in liquidation of the total bill of the Hanson Organization owned by Newfoundland. I think there will be 25 years during which the payments will be made twice a year.

Now I have already announced in the house the cost, which is approximately \$13 million and that the annual cost to the government will be of the order of \$800,000 or rather more than that perhaps, which, together with the annual vote of this house towards the operation of the University of something over \$200,000 will run the total cost to the Treasury of Newfoundland to something over \$1,000,000, to provide the buildings and to operate the University. In addition to that, the University will receive, as it already receives, a very substantial sum of money each year towards the cost of the operation from the Canada Council, which, as the house is well aware, contributes generously, on a uniform basis, to all of the universities of Canada, the basis being so much a head of the population of the province, divided amongst the universities there are in the province. In Newfoundland we have only one university, and the whole of the Canada Council grant for Newfoundland comes to that one university, from the Canada Council. I speak from memory but I believe that the annual vote now from the Canada Council to our University, towards the cost of operation is \$300,000 a year or perhaps rather more than that, together with the \$200,000 or more that we contribute, or will be contributing this year. The University will have therefore now an annual income towards its operating expenses of about \$500,000, apart from any of its own operating income. So that the total income of the university will be at the outset \$800,000 or a bit more — \$200,000 a year or a bit more from the Newfoundland government towards the operating cost and \$300,000 a year or more from the Canada Council, which is a total of about \$1,300,000 a year in the course of the next few years. As soon as the new buildings are erected, it is virtually certain that the enrollment at the University will increase rapidly, necessitat-

ing, of course, a steadily increasing sum of money to be voted by this house towards the annual operating cost of the University. We must not for a moment imagine that the \$200,000 approximately, would very long remain at that figure. Before we know it, it will be \$250,000 and then, before we know it, it will be \$300,000 a year.

Now, the details that I tabled here in this house last session on the Confederation Building are applicable to the university buildings, which is why I do not table them again. The house already has this information and does not need to have it tabled the second time. It is the same information, with the difference, of course, that it involves a larger sum of money. This is \$13,000,000 rather than \$8,000,000 and \$5,000,000 rather than one. The people who are financing it for the Hanson Organization are different banks from those which are financing the Confederation Building — They are banks and insurance companies, quite a considerable group of them in the United States.

The House, I am sure, will be interested to hear that a nearby Province of Canada, a neighbour of ours, has recently entered into negotiations with the Hanson Organization with the view to the making of an agreement for the construction of a provincial building in that Province. We were the first government of Canada to make such an agreement. Our example is apparently being followed by other provinces, and I doubt not that you will see still other provinces employing this same financing technique for the construction of important public buildings. I do not know that there is anything more I can add. I want to make it quite clear that the government enters the picture only when the buildings are completed and the key is passed over to us or to the corporation, which is our corporation, the property of the people of Newfoundland, created by this house. At that point, the government begins to pay for it, and the title will come, finally unencumbered, to the Crown Corporation.

Now, in reply to the point raised by the hon. and learned member for St. John's South, (Mr. Renouf), I can say only that the amount that is being contributed towards the capital cost of the University by the Canada Council over and above the annual amount contributed by the Canada Council

towards the operating cost of our University, will come to a sum of approximately \$1,000,000 or something over that amount, as a gift, a contribution towards the capital cost of providing the new university buildings. Just as, for example, the Anglo Newfoundland Development Company are making a contribution towards the capital cost of the university building, by way of providing \$50,000 a year for 10 years, totalling \$500,000 to cover the cost of a men's residence. Similarly, the Canada Council are contributing something over \$1,000,000 to the University towards the capital cost, for the construction of these five buildings, this \$13,000,000 group of buildings — and the University will receive this money. I speak from memory but my impression is that, once a year, the Canada Council notifies the government of Newfoundland that it has a sum of money to contribute to the university and requests the government of Newfoundland to certify to the Council the names of the universities. We have been doing that annually, naming only the Memorial University of Newfoundland — whereupon the grant is paid annually directly to the University. I do not think it reaches the university through the government of Newfoundland. I think it comes direct from the Council.

Hon. M. M. Hollett (Leader of the Opposition): How much does it amount to each year?

Premier Smallwood: Running close now to \$300,000 a year, as I said a moment ago.

Mr. Hollett: I thought that was capital?

Premier Smallwood: I am speaking at the moment of the annual grant that is paid directly to the University upon certification by the Newfoundland government. I was then going to go on to say that I assume that the capital grant of some \$1,000,000 or rather more, that is being given to the University by the Canada Council will be paid in the same way; that the University will receive it direct from the Canada Council and I may add that the University have agreed that this money goes towards the total expenditure of the \$13 million on the buildings. I have been just handed by my colleague,

the Minister of Public Welfare, (Mr. Rowe), (who is a former Minister of Education and who occupied that office longer than I have) a figure reading as follows: For last year, 1958 the grant from the Government of Canada — and I assume this would be towards the cost of operating the University — \$425,000, and from the Government of Newfoundland, \$310,000. That is made up of two separate items: a grant of \$180,000 last year from us and \$130,000 more through the Department of Public Works, not as cash handed to the University but the cost of services performed for the University, i.e., janitors, fuel, electric light and other services rendered to the total amount of \$130,000, making the total contribution by this Government of \$310,000.

Now, this year, I recall from the Government's estimates the direct grant to the University from the Government of Newfoundland will be of the order of \$200,000 and the public works presumably will be the same, \$130,000, which would be \$330,000 this year from the Government. But I have not been in the practice of including the physical work done for the University by the government but counted only the cash contributions handed to the University. Of course, obviously, if the government did not heat the buildings and clean them and do the janitoring and washing and provide the electricity and maintain the buildings, physically speaking, then we would have to increase our cash grant to them to enable them to do it themselves — so it is as broad as it is long.

Mr. A. M. Duffy (St. John's Centre): You don't have the figure on the University?

Premier Smallwood: I don't have the figures. We get an annual report, of course, from the University, showing the entire budget. In fact I believe their budget is submitted to us before adoption, and I believe it has to be approved by us before it comes into effect. That is very largely a formality. We do not interfere in the university except in cases where they might set up larger expenditures which they expect us to meet. We would then, of course, use our power to veto, if we thought they were asking for more money than we are prepared or willing to give them. But, ordinarily we accept their budget, rubber stamp it

and pass it back and say — "This is alright with us". So that it does not play any big part in our thinking. We just accept their budget. We try to see that the Board of Regents are competent, dependable citizens, and the Board of Regents has always been that from the birth of the University. I also hope the staffing will be of a high class, and we feel for the most part that has been so. Then we leave it to them. We do not bother that aside, the purely domestic side of the University.

I don't know that I can add anything to what I have said. If there is any information that the house desires to have that I have not given I would be happy to provide it if we have it. For example, the Bill does not contain the actual contract, the actual agreement. If the Opposition would wish to have a copy of the actual agreement, which I think is about to be signed, we have the actual draft contract, which this Bill gives us authority to make. We have that in draft form. If the Opposition should care to have it, we would be happy to submit it as we were happy to submit the contract under which the Confederation Building is being erected. Anything of that order that the Opposition wants we would be happy to table.

Mr. Duffy: Mr. Speaker, I would like to ask the Premier how the cost of the proposed building compares to the cost of the other building, the Confederation Building?

Premier Smallwood: The same! Identical! I may say before I conclude — I am still on the one speech as I was merely answering the questions of the hon. gentleman.

Mr. Speaker: That is what I understand.

Mr. Hollett: You gave way too much.

Premier Smallwood: I gave way to the hon. gentleman. I may say this: There were open to the government, at least in theory, three ways in which to build a university. One was to go out on the market and borrow the necessary money by the sale of bonds. That would have this merit, that the government could borrow money somewhat cheaper, somewhat less expensively than a private organization could, even if the bonds of the private organization are guaranteed by the

government. The bonds of a government can sell at a better rate, somewhat better rate, than bonds guaranteed by that same government. So that is the advantage in the government going out on the market, floating a bond issue and realizing the cash, then calling for tenders and letting the contract for construction of the university buildings. The advantage is that we would get the money at a lower rate of interest. Now having done that, of course we would have that annual interest bill to pay, and a sinking fund on the principal to pay, and when the bonds came due we would have the principal to repay, and it would cost so much money. It would be pleasant if you could borrow money and not have to pay any interest but pay back the same amount as you borrowed. But all over the earth, all over the world, governments, municipal councils, individuals who borrow money normally have to pay interest on the money; normally.

Mr. Hollett: I am glad you said "normally".

Premier Smallwood: By the time they have paid back the principal they have also paid back considerable sums more in annual or semi-annual payments. Social Credit people are against that sort of thing but we are not Social Creditors. We are, in this house, on both sides, people who believe that when you borrow money you normally have to pay interest on your loan. Now that is one advantage. Against that, of course, is the disadvantage that if the Province goes out and floats a bond issue, the face value of that bond issue is added to the funded debt. While it is perfectly true that the Government of Newfoundland for many, many years to come will have to build many miles of road each year, pave many miles, build many new hospitals, and many, many new schools and will have to borrow money and float bond issues to do it, into the indefinite future, right now we ought to be spending about \$100 million to enable Newfoundland to catch up to where Nova Scotia was 10 or 15 years ago. It would take us \$100 million to do that, in roads, schools and hospitals. While it is true, I say, that for many years into the future the government will have to make these very large capital layouts to improve the capital equipment to this Province, and will have to float bonds to

do it and send its bonded indebtedness higher, while that is true it is also true that where there is, practically speaking, an opportunity to build the things you must build, without increasing your funded debt, your bonded debt, then that becomes desirable:

Now, the cost, when you consider only the interest, is practically the same, slightly lower when it is a direct government bond than it will be, for instance, when Hanson goes out and borrows. There is the one method, the traditional and conventional method governments always followed of going out on the bond markets and sell their bonds and getting a slightly better rate of interest. A sinking fund is set up, 20, 25 or 15 year bonds, (it has been a long time since we had 20 and 25 year bonds) and with the proceeds they build the buildings by calling for tenders and awarding the contracts. That is one way. The advantage, and the only advantage I can see, is that you get a slightly lower rate of interest. The disadvantage, and it is a very serious one in a province that is growing rapidly, lagging behind the rest of Canada in its public services and needing to build many more miles of roads, many more hospitals and many more schools and so on, the disadvantage is that by operating that way and in that way you increase your funded debt too rapidly and by too much.

Now, the second way is this way. Let Hanson or someone else go and borrow the money. He will pay, even though the whole thing is guaranteed by the Newfoundland Government or a Crown Company which is the Newfoundland Government, somewhat higher rates of interest than we would, all things being equal. Actually he won't, not in actual fact. Theoretically he will, but actually a very able operator will go out and get money as cheaply for the government as the government would get if for itself. Then you have two advantages: (1) The government would lose by paying a slightly higher rate of interest but it gains and more than gains in the greatly increased efficiency with which the buildings are erected. In other words, if we had the cash in hand and called for tenders and awarded contracts to the lowest tenders, we have no belief that we would get prices, contract prices, as low as Hanson will get them.

Mr. Duffy: That is theory too, of course.

Premier Smallwood: That is more than theory. We are quite confident on that, quite confident. People throughout the world seem to feel, mistakenly, it is wrong, they ought not to but seem to feel, generally speaking and allowing for exceptions that if you work for a government you don't have to work as hard. You won't go down into Bowring's office tomorrow morning at half-past nine and see a lot of employees reading the "Daily News". You won't see it! But, Sir, I would not be too sure nor too surprised if I went into some of the large government offices at nine o'clock tomorrow morning to see one or two of the clerks reading the morning paper.

Mr. Duffy: It is part of the education of the clerks.

Premier Smallwood: Oh, not of the Department of Economic Development nor the office of the Premier and certainly not of the Department of Education.

Mr. Hollett: What about the City Council?

Premier Smallwood: The City Council — I don't know.

Mr. Nightingale: We would not get the "News" unless it is seen here.

Premier Smallwood: Of course I love the courtesy shown by the hon. gentleman while I am speaking, showing such rapt attention.

Mr. Nightingale: I have heard every word.

Mr. Smallwood: People feel they don't have to work as hard, don't have to work as long and if they are contractors don't have to give things quite so cheaply as if it were private enterprise. I don't know why that is. I did not create that situation, I found it. I discovered it. And I think if you deal with a firm, a large concern, they have to make their money through their much greater efficiency, and I think you get that greater efficiency and Newfoundland benefits from it. So much so that, as I can tell the hon. Leader of the Opposition and the house right now, there are private organizations in this city

today who are now awaiting the arrival of Hanson next Monday from the United States to take up with him the discussion of the construction of buildings, not government at all, but using the same technique. I am thinking of religious bodies and thinking of certain types of authorities of that kind who have the great responsibility, something of the same type of responsibility as a government has to meet the needs of a fast growing population with new buildings of one kind and another, and to get capital expenditure to meet a rapidly expanding population. I don't know that there is anything I can add to what I have said. I think I have covered pretty well everything. If there is any information we have which the Opposition wants, we will be glad to submit it.

Mr. Renouf: Mr. Speaker, a brief word on the point which the hon. the Premier made. I might say in passing that we are all very pleased indeed and inspired that a new university is underway for the Province of Newfoundland. The advent of a new university is one which fires the imagination and causes the people of Canada, and people elsewhere, to rally around. So that possibly in the future there may be additional sources of help not at the present foreseen. In other words, Mr. Speaker, I think the financing scheme for this university can be more easily borne and be less stress and strain upon the Treasury of this province than possibly the Confederation Building from which no direct sources of returns come. Then, too, of course, in addition to the amounts that the hon. the Premier mentioned, i.e. the Canada Council grant and the grant from the Provincial government, there must as well be a very substantial fee revenue, because I think I can recall that something like 800 students are registered at the University at the moment.

Premier Smallwood: 1000.

Mr. Renouf: Well, 1100 means a very substantial revenue as well. That will be a very sizable contributing factor. Then as time goes on, as the hon. the Premier says, the enrollment will increase, and as the enrollment increases the contributions of the Province may increase as well.

Premier Smallwood: And as the population of the Province increases so will the contribution from the Canada Council.

Mr. Renouf: A revolving benefit, increasing and multiplying. For that reason I am more (for practical reasons too) wholeheartedly in support of this scheme than I would otherwise be for buildings of another nature. One other point — in conclusion, Mr. Speaker, I thought I might ask — the estimated cost of \$13 millions; I was not quite clear whether that included the Canadian Council grant for the Arts Building?

Premier Smallwood: Yes.

Mr. Renouf: That does. Mr. Speaker, in final conclusion — on the demarkation of certain portions of the property — I don't know that the hon. the Premier happened to mention it in passing, but I was not quite clear on the reasons for that. What will happen to the remaining acreage of the land in question? Perhaps, at his leisure, the hon. the Premier might enlighten us on that? But generally speaking, Mr. Speaker, I view, and I am sure that my colleagues view, with very great interest the new era of university life that is to come.

Mr. Nightingale (St. John's North): Mr. Speaker, I would just like to ask a question. Is the Trans-Canada Highway going through the university grounds or on the border? I am not quite sure myself. I have seen the plans in City Hall. I have an idea that fields and open spaces belonging to the University will be on the other side of the Trans-Canada Highway. It does not say whether it goes through the grounds or on the border. I do know the Board of Regents show the usual spirit and say: "if we give you land we don't want to pay for the roads". It looks like someone, either the city or the government, has to pay for this.

Hon. M. M. Hollett (Leader of the Opposition): Mr. Speaker, I don't intend to delay the house on this. I do not think anyone in this house would disagree with the main principle of this Bill, to build a new university in Newfoundland. It is almost unwise, of course, for us on this side of the house to agree with the other side of the house on any matter from now on. I take it we are

supposed to be an Opposition, wholly and solely. But I must say we agree with the principle of this Bill. Whether we agree with the way the government is going about it or not is another matter. When we think of the university we think of something that is going to be here for a long, long time, after we are dead and gone. I myself had the very high privilege of attending university, or universities which were built 700 and 800 years ago and are still standing in all their majesty. I do hope that the manner in which this university in Newfoundland will be built will be in such fashion that it will be here for many generations to come. We are, therefore, not amazed at the high cost of the erection of these buildings. As a matter of fact, I would say that the sums mentioned are probably a little bit under estimated.

If I may inject a little sour note into this, I want to criticize the government not only on the new university project but also the Confederation Building. This Government have had the habit, ever since they have been in office (10 or 11 years now) the habit of going ahead and making the people of this country liable for huge sums of money, and in some cases it is years but usually months, before the matter is ever brought into this house to be debated or discussed by the people's representatives. That is one sour note which I must interject into this because here we are subjecting the people, the taxpayers of this country, for the next 25 years to find \$1,000,000 a year. I know we have not had it. They have to get it. I think it would have been only courtesy to include both sides of the house and to have the project brought in here and discussed fully with all the plans before the house before the government decided to go ahead and, if you like, lay the cornerstone or build, as they did with the Confederation Building. It was half erected before we knew what was going on. That is one thing I would criticize the government for. They have that very nasty habit, Mr. Speaker. They have done it years ago when talking about the new industries.

Hon. E. S. Spencer (Minister of Finance): If I might be allowed — the hon. Leader of the Opposition, having said the Confederation Building was half up before they knew about it indicates real action on the part of the government.

Mr. Hollett: I don't know whether that was real action, or relaxation, on the part of the government or on the part of the minister concerned. I don't think the government (and mind you, we are part of the government, we, the Opposition I don't think the hon. minister of Finance realizes that point), and we are part of the government; if it is action on the part of the government, we are left out in the cold completely, and they have a good many back benchers. We all, on opposite sides, knew nothing about it until it was well underway. I therefore criticize the government very strongly for incurring expenditure which is going to cost the people of this country about \$45 million. I am speaking of a period over the next 25 years. They did that without first bringing it into the house.

Premier Smallwood: I think \$25 million for the Confederation Building, and this will cost \$20 millions. That is \$45 million, say \$50 millions if you like. But I think the house should have known about this sometime before the contract was entered into, for instance with Hanson & Hanson and with the Newfoundland Engineering Company and so on. They went to work and did a lot of work there before the house knew anything about it. Now, I know the University has to be built and I am proud it has to be and I was very fortunate to be there and see the hon. the Premier turn the first sod. I hope I will be here to see the last one turned over. And the view from there, Sir, the location for that university could not be better, and I do compliment Sir, the location for that university could not be better, and I do compliment whoever in the department of Education chose that site.

Mr. J. D. Higgins (St. John's East): The present acting-minister of Education.

Premier Smallwood: I am not acting-minister. I may act but am not acting — minister, believe me. I am a minister.

Mr. Hollett: I congratulate him, if I am allowed without getting into hot water, on that site. It is one of the finest sites in St. John's and I am surprised that the Liberal government were able to get it, even for the University. But St. John's is not all "PC". But I say it is a lovely site. I have not seen the

plans. The hon. the Premier has promised to let us see them. I will be glad to see them. I do say that the only criticism I have to this is that unfortunately the plans had not been submitted to this house and discussed and debated. There might have been some improvement if they were properly debated. I think that should have been done before the government went ahead and made the necessary contract to build it.

Now, there is one other matter which I would like to mention. Under the Resolution there is provision for the financing of such construction but the Government has not told us how they are going to provide the financing. I know in the last section of the Bill it says "any payments are to be made out of the Consolidated Revenue Fund", but before paying money out of that fund we have to put it into that fund and the government have not told us yet where they are to get the \$1,000,000 a year to pay or the \$800,000 a year to pay Hanson & Hanson. I know it is coming out of the Consolidated Revenue Fund, but if we look at the Consolidated Revenue, the state of the Consolidated Revenue of the country at the present time shows we will have to get some more revenue somewhere in order to get \$800,000 out. The government have not told us where that revenue is coming from nor how they expect to make it or put that revenue into the Consolidated Revenue Fund in order to pay it out to the people building the University. The government will probably tell us when the hon. Premier replies.

All these things, I think, should be taken into consideration and discussed by this house. Even though we are all proud the new university is being built, we have to be practical. But, all in all, we agree with the principle of building a new university. I hope we will all be here to be present at the opening, and I would congratulate everybody concerned on initiating the idea. I say this for the president of the university and all his associates in the University. I am very glad for them too that they will have this new building and this new site and hope that they will be inspired to go deeper than ever into the mysteries of higher education here in Newfoundland.

Mr. A. M. Duffy (St. John's Centre): Mr. Speaker, I think we are all very happy to

know such an activity as the new University is to become a reality. It is sorely needed. We don't quarrel with that, but there is one point the hon. Leader of the Opposition introduced, one he mentioned on several occasions before and one I mentioned, and that is the ignoring of the opposition on major projects, ignoring the one place that can legalize it, this house. It seems in this particular instance the Government avoided more and more coming to the House of Assembly to debate a project of this kind. In the Confederation Building project, at least we were given the opportunity to see the plans and to play with them for a weekend, (which could not make any difference because the erection had already started) But this time we didn't even see them although the Premier has offered to let us see the agreement.

Now, I am quite prepared to agree with this idea of an outfit like Hanson & Hanson building the University. That has a lot of merit, but I still say that in theory, there are cheaper ways to do it, and I wonder if the government has explored how sound this theory might become in practise. We do know that any concern that takes over a project of \$13 million or more certainly makes a profit over and above the actual construction and the interest, so that the larger the project the larger amount of profit involved. I am not saying this would be improper, but I am suggesting that every effort to explore the soundness of doing it another way should have been done.

In relation to the necessity for the new University, it is far more necessary than the Confederation Building. The hon. Leader of the Opposition has pointed out that the method of erecting these buildings will cost over \$40,000,000 and it may be substantially more than that. This has all been done technically illegally, because there have been no agreements signed, in both instances. I know it does not make the slightest bit of difference to the government, because we are unable to upset any of the government's plans, because of their numbers. But, Sir, it seems to me the dignity and the main function of this house should be observed certainly in major projects. However, apart from that I am happy to see concrete steps taken to build a new university.

Premier Smallwood: Mr. Speaker, in reply to the point made by the hon. gentleman who just resumed his seat and to the hon. Leader of the Opposition who made the same point, i.e. that we are now asking the house's ratifications of something already done — I can say only that that is true. That is the simple truth. I can offer this, however; that this is a course of action, procedure, that is hoary with age. It is not perhaps as old as parliament is but very, very old. (And this is a Parliament. We must not forget that) Call it a Legislature as a matter of simple convenience. You have Federal parliaments and Provincial parliaments, and if you use just one word "parliament" it has become sort of a convention to us to use the word "Parliament" in particular only in reference to the Legislature of Canada but when making a reference to the parliament of the province we call it the "Legislature." Whether you call it legislature or parliament they are both identical, based on identical principles. It is the same thing with this artificial distinction between "Premier" and "Prime Minister". They mean identically the same thing, identically. This is a parliament, with parliamentary practice and procedure, which naturally will be the same as in any parliament in the British system.

Mr. Hollett: Not for huge capital expenditures surely?

Premier Smallwood: Now, what is the practice? The practice is that, when parliament is in session, to do nothing except by parliamentary consent, by the consent of the parliament, bringing it into parliament and asking parliament to authorize it, and if it does so you do it. Now, it is carefully covered in the Revenue and Audit Act that, from so many days before Parliament is called and during the time it is in session and for so many days after it is prorogued, during that whole period (I think it is 10 days before parliament meets and probably 10 days after parliament prorogues) no money can be spent by the Government except upon direct authorization of the parliament. No money can be spent, we can't guarantee funds, we can't lend money, we can't spend money except upon direct authority of this house and then after getting the Royal Assent from the Governor. But the big thing about the parliament of this

Province is (as it is of virtually all the smaller province and not virtually all but all), that we meet for only a limited part of the year. This year, it is prolonged and last year it was prolonged, but ordinarily we meet for say six or eight weeks or nine weeks out of the 52 weeks. But Newfoundland goes on for the 52 weeks and situations come and go during all the weeks of the year. So the practice has grown up, not originating in Newfoundland by any manner of means, the practice has grown up in countries that have parliaments under the British system of the Government doing this and doing that to meet the situations as they arise, and then coming to parliament when parliament meets subsequently and asking for ratification of what has been done.

Mr. Hollett: That is in the cases of emergencies.

Premier Smallwood: No, not only emergencies. Now in this particular instance nothing has been done at all.

Mr. Hollett: You turned the sod.

Premier Smallwood: Yes, turned the sod. That did not cost anything. No public money has been spent, not one dollar that has not been authorized by this house. The only money that has been spent on this new university is the money that was spent to pay for an architect to design the plan, the blue prints and to compile the specifications; not another dollar, unless you are to add the cost of the making of the model of the university buildings based on the plans and specifications. That was done by employees of the department of Public Works, and if they had not been at that, they would have been at something else — so that cost something. Now that is the only expenditure.

Mr. Duffy: Large commitments have been made by the government. The cost of the land?

Premier Smallwood: No, the land was bought years ago out of money authorized by this house. So that, on the new university, the only expenditure was what was paid to the architect over the last five or six years.

Mr. Duffy: No commitments at all?

Premier Smallwood: No commitments. The government made (what would be the word) conditional commitments, conditional upon ratification by this house. The government in fact, at this moment, has not signed a contract. All that Hanson has is a letter from me saying he has written me a letter and I have replied to it. Now, that was not done just on my own, that was addressed to me. I submitted it to the Cabinet. The Cabinet considered it over a period of time and authorized me to send a reply. So that all that exists are two letters and a draft agreement and this Bill. It is only upon passage of this Bill, by this house, that there comes any commitment at all. When the government makes a conditional commitment, it says: "subject to ratification by the house." If the house does not ratify it, the other party has no recourse. They cannot claim damages. They enter into it with their eyes open. The government commits itself to this providing the Legislature, when it meets, ratifies it.

Mr. Duffy: The other project was half built. What happened then?

Premier Smallwood: The same thing. Hanson said one day — "I know, Mr. Premier, we feel when we are dealing down there we are dealing with honourable people. Do you know I have committed myself to \$2,500,000 on the Confederation Building before signing the agreement?" I said: "We could not sign the agreement until the house ratified it." Well, of course, what Hanson has to take into account or anybody else — the bank lends John Jones \$100,000 on our guarantee. The government guarantees it. The government tells the bank "We will guarantee the money. You lend it to John Jones." Then we come in here with a Loan and Guarantee Act and ask this house to indemnify, to confirm, give us authorization, and then only can we pay that. But, the bank has taken the chance by accepting our guarantee. Why does Hanson take the chance? Why? They take it because we are the government, i.e. a majority of the members of the house. Always a majority of the members of the house support our recommendation. The government, the Queen's Ministers, come in and say to the elected members of Newfoundland — "we (the Queen's Ministers) recommend this

course of action" and invariably, in 11 years, the majority of the house have given us the authority we requested — they have sanctioned the thing we had done. That was always the case with a government or they cease to be the government. If I move the adjournment of this house today that motion is defeated I have no choice but to go immediately to the Governor and hand in my resignation. Every motion that is made from this side of the house, if made by one of the Queen's Ministers, puts the life of the government in the hands of the house, every time we make a motion to adjourn. Similarly, when we come into this house and ask for this money or that money, or for authority to do this or to do that, or for ratification of something we have already done, we are placing our life as a Government on the line.

Mr. Duffy: It is a calculated risk.

Premier Smallwood: A risk you take. You know before you start that a majority of the elected members are supporting you. Now, if you are a fool you will not consult your friends and supporters in the house, (if you are a fool), because a man who is elected as a representative of the people may say — "these Queen's Ministers are very good. I like them. They are nice fellows but they had better not go taking me for granted." Similarly with the Opposition; the Leader of the Opposition, if he is a fool, commits his party to all kinds of things without consulting his friends, but he does not stay leader very long in that case. A man does not stay in very long as Premier, the government does not stay in very long if there is not the occasional caucus, the occasional phone call, if you do not ask your friends what to do in this case, or to support this or support that. The house must not suppose the men over here on this side, when these measures come, in are hearing of these measures for the first time. The house must not assume that. The functioning of democratic government requires free consultation with the members. Then, for the benefit of the public, people must not assume the government are constantly springing surprises on the Opposition. Oppositions and Governments all over the world have their consultations. We ask — Would it suit the convenience of the Opposition if we brought this Bill in on

such a day? If it does, we bring it in and if it does not, unless there is a very good reason for it and we want to ride rough shod over them, then we don't. That is the ordinary courtesy and common decency of operating a house of this type. So that is the answer to that one. I think it is a reasonable answer. Yes, we take these actions when the house is not in session, believing that they will be confirmed, and if they are not, out we go. Now, the remaining acreage title to the remaining acreage is just unchanged. It is the title to the new acreage, the 60 acres — my honourable friend, the Minister of Public Works told me he negotiated with Hanson to get it reduced to 30, the buildings and 30 acres. This stands for \$13 millions or \$12 millions, whatever is the amount the Hanson organization puts up. They have to have a mortgage. The people who lend them the money must have security. That title will change. The remainder remains unchanged as to title. Is that clear? Does the Canada Council approve? Quite frankly I don't know. I have assumed that they do. I have been assuming that the University would be in touch with the Canada Council and the Canada Council would be aware of what is going ahead. In any case I do not suppose the Canada Council would care if the University is being built, don't worry very much how it is being built, so long as the money they contribute goes towards the cost of the building.

I don't know any other point that was raised, except perhaps the point raised by the hon. and learned member for St. John's South (Mr. Renouf) who said that he is a little more interested in the University than in the Confederation Building. But he must remember one thing, i.e. that the government of Newfoundland today, through its public services, is operating in some 20 buildings in St. John's, 20 or is it 21 different buildings. We have 20 sets of electric costs, 20 sets of heating costs, 20 sets of messengers, 20 sets of cleaners, 20 sets of telephone operators, 20 sets of everything, and we think the savings on these headings will be very substantial, and will reduce substantially the actual annual cost of the new building to us. So that is to go against the advantages that the University has of having other sources that we don't have.

On motion, Bill read a second time, ordered referred to a Committee of the Whole

House on tomorrow:

On motion, the House recessed for 10 minutes after which Mr. Speaker resumed the Chair.

Second Reading of a Bill, "An Act To Authorize The Government of Newfoundland To Enter Into An Agreement With Newfoundland Cement Company Limited and North Star Cement Limited."

Mr. Speaker: Second Reading of this Bill was adjourned by the Honourable Leader of the Opposition.

NORTH STAR CEMENT:

Hon. M.M. Hollett (Leader of the Opposition): Mr. Speaker, I have done my best to find out who are the Newfoundland Cement Company but so far I have been unable to discover their identity, only insofar as the Premier informed us the other day of some companies with whom they are making this deal. I take it these are the ones which have formed the Newfoundland Cement Company.

Hon. L. R. Curtis (Attorney General): You are correct.

Mr. Hollett: I was only guessing at that. Of course I went to the Registrar of Deeds and I discovered that the Newfoundland Cement Company is not registered yet.

Premier Smallwood: We are going to phone and get the names of the shareholders. They are doing it now.

Mr. Hollett: Yes, one can say a whole lot about this cement business Mr. Speaker. We know North Star Cement was a government built plant, government owned and operated, to produce cement. For a time it went on that way, and apparently must have gotten into difficulties. Then the government decided they would sell it out to the Canadian Machinery and Holding Trust, a company which was registered in Switzerland; sell out to them for \$4,700,000 plus. I have the agreement here which was entered into on October 16, 1952. That agreement was entered into between the hon. the Minister of Economic Development, for the government, and the Canadian Machinery and

Holding Trust. I brought that matter up before the house before. It is rather strange there is not one section in that agreement which states the government will sell and the company will buy. Now the company is the North Star Cement. Section one states the government will sell and the company (that is North Star Cement) will buy the cement plant erected by the government.

Mr. Curtis: You see, the present North Star is only an operating company.

Mr. Hollett: But under this 1952 agreement the government sold, to the North Star Cement Company, the plant which was erected by the government. But if we go on to Section 10 of the same agreement made in 1952 — as the section reads — the government will sell and the holding trust will buy all the shares in the company. It is very difficult to understand. In other words the government under Section (1) sold the cement plant to the North Star, and then, under Section (10) sold to the holding trust all the shares in North Star so that poor old North Star Company is an orphan child, apparently and had no say one way or the other. It was just a holding company, I take it, made up of government members. In any case they sold it to the Holding Trust Company for more than \$4,700,000. I could never figure out the purport of this agreement and don't think any one else could really. This is just a document drawn up in order to legalize handing over the management of this cement plant erected at Corner Brook.

Now, we are told by the hon. the Premier that the government — you remember that under Section (19) the government will sell and the Holding Trust will buy. They bought all the shares in the company — Now we are told by the hon. the Premier the government bought back all the shares in North Star Cement Company for \$50,000, no, \$40,000. They bought them back from the Canadian Holding Trust Company. In other words the Holding Trust operated that cement plant since 1952.

Premier Smallwood: No. Keep the record straight. The government bought the shares of the two companies for a total of \$50,000. Now the government is being paid that money back by two new owners in two

amounts, one an amount of \$10,000 the new management of this CMIC, and \$40,000 by the new management of the Cement Company. We did not purchase the shares of the North Star for \$40,000 nor of CMIC for \$10,000 but, rather, for \$50,000 we bought the shares of the two companies. Now we are being re-imbursed our outlay in two amounts of \$10,000 and \$40,000. That is where the 10 and 40 comes in.

Mr. Hollett: It does not matter very much. The sum is so insignificant it is hardly worth mentioning; \$10,000 or \$40,000 when you come to think of the \$250,000 industries being bought back so easily by the government from the Canadian Machinery and Holding Trust Company, for nothing. In other words the government says: You cannot operate so we take it back.

Premier Smallwood: They are in default.

Mr. Hollett: And the government made no effort to get the money back and the only excuse they have is that this great man died and all the greatness died with him, apparently. I do remember, and I am quite sure my hon. friend on my immediate left does too, that glowing speech made by the hon. the Premier in 1952 when we were told about this man whom he visited in his castle in Switzerland.

Premier Smallwood: No, in the south of Germany.

Mr. Hollett: And the hon. the Premier and the hon. the Attorney General were escorted there by another gentleman, who was so well esteemed but is no longer here in this country, (Valdmanis). He was very well thought of at that time. As a matter of fact the hon. the Premier wanted to erect a monument to him. At that time he brought them there to meet this great man. I remember the hon. the Premier telling of all the factories this man owned and there was no doubt whatsoever. (I am speaking now almost as the Premier spoke in connection with CMIC). He was then head of the Canadian Trust Company.

Premier Smallwood: He was the owner of M.I.A.G., which is a very big company.

Mr. Hollett: M.I.A.G. also brings back memories. I think it is better sometimes that our memories were wiped clean of certain things and that we forget them. But now we are told that the government has taken back the cement plant, the North Star Cement Plant, and that they have decided that they will put it under new management, and the management will be known as the Newfoundland Cement Company. And we are informed by the hon. the Premier that the principals of the Newfoundland Cement Company are Messrs Lundrigan at Corner Brook; Mr. Goodyear & Sons, Goodyear Construction Company at Grand Falls and Mr. Pippy of Concrete Products; I am not quite sure on that just as I have not been able to find out just who they are — These are the ones who are to operate this cement plant in the future. I am quite sure any of us who were in, the vicinity of this house when the plant was built will be happy to see some improvement made in the returns we are to expect from this cement plant.

Now, as I remember, Messrs Lundrigan, I believe, last year or the year before built a considerable amount of roads for Newfoundland. As a matter of fact the amount which was paid to them was \$1,902,000, last year for the building of roads, so I would say even there, dealing with one firm (which were being paid nearly \$2,000,000), they ought to be pretty reliable, and I would say smart too, and ought to be able to contribute largely to the proper handling of the cement plant.

Premier Smallwood: I believe their total turnover in all their enterprises is \$10,000,000. They are the biggest outfit on the West Coast, next to Bowaters.

Mr. Hollett: To which we paid \$2,000,000 for roads, not to say anything about machinery we may have bought — I am not sure of that. — Then Pippy, Concrete Products. They paid them last year some \$683,000; Goodyear Construction were paid \$326,000. These are the principals in the Newfoundland Cement Company. I am wondering if there is any connection between the fact that these three large companies have been more or less benefiting by the operations of the government here over a period of years; particularly as noted last year, but over the last number of years these

companies have been very active in colossal enterprises and largely, Mr. Speaker, because of the fact they were able to secure a large bunk of the expenditures made by the Newfoundland government. They are therefore, as I say, large industrial concerns and they are now, we are given to understand by the hon. the Premier, the three principals and the only three principals, I believe, in Newfoundland Cement.

Premier Smallwood: No, McNamara and Glavine are also.

Mr. Hollett: Oh yes! They are also into that, McNamara and Glavine. They are the only ones who have to do with C.M.I.C. I was forgetting McNamara and Glavine. I take it Glavine is one of the directors of the McNamara Construction?

Premier Smallwood: I frankly don't know. I know he is a director of three banks and has mining companies. He is really a very substantial man on the mainland of Canada. He really is.

Mr. Hollett: I was forgetting McNamara Construction. Last year, incidentally, for road paving near Gambo, Gander towards Gambo, they received \$397,000 from the Government.

Premier Smallwood: I suppose they received easily the best part of \$2,000,000 last year for all contract work.

Mr. Hollett: With Trans-Canada, yes, but that was just one little job.

Premier Smallwood: That, too, is Trans-Canada.

Mr. Hollett: So then we have Goodyears and we have Lundrigan and we have Pippy and we have the McNamara Construction Company and its principal George McNamara and this man Glavine who is the head of three banks.

Premier Smallwood: Not the head, a director.

Mr. Hollett: And a large number of trust companies and large industrial concerns, Gilbert Glavine.

Premier Smallwood: If the hon. gentleman would care to look him up in the business directory he would see he is really one of Canada's substantial industrialists.

Mr. Hollett: Now having said that more or less to introduce the subject, Mr. Goodyear and Mr. Pippy and Mr. Lundrigan and indeed George McNamara (I believe his name is George) are indeed very smart businessmen, unquestionably they are great businessmen. They are very brilliant and they will make a dollar when lots of other people won't make a dime. The very fact, therefore, that they have decided to take over the management, with Mr. Glavine, of North Star Cement, ought to indicate to me and you, Sir, that there is really something in this cement business and they are really going to make some money out of this thing, and I hope they do.

Premier Smallwood: They can't make it unless we make it.

Mr. Hollett: That is the point I was trying to get around to. The hon. the Premier told us they were to pay us a royalty of a dollar a ton, but that, I notice, is not exactly the same as it states in the Act. I believe they are supposed to pay us five cents a ton for limestone or something like that.

Premier Smallwood: No, a dollar a ton on cement.

Mr. Hollett: Where does that appear in the Bill? Well the hon. the Premier tell me?

Hon. L. R. Curtis (Attorney General): A dollar a ton.

Premier Smallwood: If it is not there it has to be put in. I assure the hon. gentleman that is the deal.

Mr. Hollett: Here we are, Section (14), page (13).

Premier Smallwood: That is the ordinary tax royalty the Government collects on these things, collects from North Star Cement on limestone.

Mr. Hollett: All right! Where does it state a dollar a ton for the cement?

Premier Smallwood: It is in the agreement, it had better be if it is not.

Mr. Hollett: It had better be! Anyway, if they are going to pay us a dollar a ton I should think we ought to do very well out of it.

Premier Smallwood: A dollar a ton on cement produced or half the net profit, which ever is the greater.

Mr. Hollett: By the way, I think it has been suggested by the hon. the Premier that they hope some day to own the North Star Cement Company, and until such time as they do own it they do not intend to pay any dividends.

Premier Smallwood: They intend to use their share of the profit, and they have to pay tax on their share; what is left after the payment of taxation to Canada they will use to retire the preference shares, which is their way of buying the shares and paying us for the mill.

Mr. Hollett: And it is hoped, Sir, that the government will eventually get back the \$4,740,000.

Premier Smallwood: The hon. gentleman understands there are to be two classes of shares, preferred and common stock. Common stock is always the stock that votes in any company. Preferred stock does not vote. Now preferred stock in this company is to be issued in the value equal to the value of the amount the government have invested in the mill; and we own the common stock and we own the preferred stock. We own all the stock. The Newfoundland government own all the stock, both preferred and common. The private parties mentioned are to get half the profits of the mill. They are to operate and get the profits. We get half. Now their half is taxable by the Canadian Government and the part that they have left after taxes they intend to use to pay us, to buy the preference shares, and when all these preference shares are bought and paid for by them we will then begin selling them in the same way, that is, the common shares. When they finally own the common shares they own the company and mill. We in the meantime will have received about \$5,000,000. Until that happens they

get nothing. That is quite simple, Mr. Speaker, quite simple.

Mr. Hollett: As a matter of fact it is not so simple, but there is nothing we can do about it. There is nothing we can do about it.

Mr. Curtis: I must point out, if you will look at page (5), Mr. Speaker, you will see that preferred shares are in the nature of \$100 each, and then if you look at Section (8) on page (10), Clause (8)... "such number to be redeemed becomes one share for every 100 tons of cement produced". That is a dollar a ton because they are \$100 shares. So, you see, they have to redeem one share for each 100 tons, or one share for every \$200 of net profit, which is half the profit, or which ever shall be the greater. That is the section, I think.

Mr. Hollett: I see. That is what it is. That is not a royalty.

Premier Smallwood: The royalty is on the limestone in the ground.

Mr. Hollett: I understood from the Premier we got a dollar a ton "royalty".

Premier Smallwood: I might have misused the word. I should have said perhaps, a dollar a ton "payment".

Mr. Hollett: Now it is clearer to me. They will pay to us one dollar for every ton of cement they buy, one share for every ton of cement produced. I see now much more clearly. That means, of course, they will eventually, if they live so long, pay to the government the cost of the mill and then it will be passed over to them.

Premier Smallwood: And what is even more important, they will have been operating the mill successfully all that time.

Mr. Hollett: Yes, that is the most important part of it, and I was about to come to that. I might just as well come to that, and not delay the house. As to the principle of the Bill, of course there is no doubt about it, the whole principle of the Bill is we want to keep the cement plant moving, working. We want to put it into good hands, and we want to get paid for it. We are all in agreement

with that, but I am a bit skeptical about the selection of the principals of the North Star, or at least of the Newfoundland Cement Company. Mind you I have nothing against any one of these firms, not the gentlemen who comprise these firms, but I wonder is it going to amount to what would almost be a monopoly with regard to the cement position here in Newfoundland? Will it be a monopoly insofar as projects like the building of roads and so forth undertaken here in Newfoundland, and consequently, will all these tenders which will have to be made for these things be obtained only by these particular companies, simply because they can control the cement and can quote lower prices than their competitors?

Premier Smallwood: Would my hon. friend mind telling me what cement has to do with road construction?

Mr. Hollett: Or any other, I said.

Premier Smallwood: What has cement got to do with roads?

Mr. Hollett: You do build the occasional bridge, I submit. I just threw out the thought. It is probably very weak. But I do seem to sense a connection between the deals between these various firms and the government, and the fact that they are now practically the owners of the North Star Cement Company. As I said before, I do believe that these people will not stay in this very long if they can't make a profit, and I don't blame them. Consequently therefore, I am more or less in accord with the whole Bill, in addition to the principle, because I think that if any people can make that thing go, make it a success, well then these men ought to be able to do it. Because, as I said, they are people who are in a position to get contracts from the government and are not going to take any money out in any way but turn it all back, take no profit at all, simply take out another 100 tons of cement; all right, give them another share and another 100 tons and another share until they finally own it. There is nothing wrong with that. I only wish that the management of the cement mill had been put in the hands of some Newfoundlanders away back in 1952. I am inclined to think the position would have been different today, and I am inclined to

think the government would have had most of its money back, instead of doing what the government did do; put it into the hands of some concern in Germany or Switzerland, whatever it might be. I believe they would have been better off with regard to the capital outlay in the cement plant.

Premier Smallwood: It might not have been so feasible to get Newfoundlanders to do it at that time.

Mr. Hollett: I don't suppose — These principals had to be built up to that extent.

Premier Smallwood: And the cement mill had not been in operation. Today you can see the chances. Business might today see a chance to make a good thing out of the cement mill, which they did not see six or eight years ago.

Mr. Hollett: The Holding Trust must have seen a chance.

Premier Smallwood: They were Germans.

Mr. Curtis: There was a little method in their madness in allowing them to operate, go bring the plant up and take the bugs out of it, so the best thing was to let them run it.

Mr. Hollett: I have pointed out what I think are the dangers and I do hope the danger may not be inherent in it. I do think it is the only chance. I pointed out the dangers that are inherent, and I hope the Government takes care of these things with success.

Mr. Duffy: Mr. Speaker, I don't propose to be at all long, but it seems to me as it does to my colleague here that this is a good business deal, but from the standpoint of the Opposition we cannot give positive opinions because we don't know what the financial position is regarding the present plant. I did hear that there is a very efficient manager out there now, and the Premier stated it is operating very successfully. But as pointed out, it is not wise for the government to go into business except when it has to; perhaps — Newfoundland Hardwoods is operated by the Government I think, is that not so?

Mr. Smallwood: Yes.

Mr. Duffy: Well it seems to me — and then again I am just talking as we have not the information — I have said that a good many times — If this is operating successfully now and is under competent management, local management, the only difference I take in this new set-up would be there would be a substantial local interest. But what makes it difficult to come to a sound conclusion is that we don't know what operating capital there is in this plant. Presumably that would be at the disposal of the new principals.

Premier Smallwood: Yes, what there is.

Mr. Curtis: They undertake to keep it up to \$750,000.

Mr. Duffy: Well, it is a lot if they undertake that. I don't say it is unsound. Perhaps it is a very good thing. The point is that we don't have all the information on it. But in view of the position the government finds itself in with the loan, if it is successful it will in time, I suppose, liquidate that very substantial loan. The one good thing about it is that the government for a change is doing business with some people of substance who won't be coming back for money, as has been the case with most of the others. And, Sir, I don't imagine these people would be interested unless it were a good deal for them. I don't think there is any doubt about that. We have to make sure, and the government has to take steps to make sure, it is a good deal for the government. Well, at this point, from what we know, Mr. Speaker, it seems to me to be sound. But, as I said before, we have not all the information and, of course, we won't get all the information on this project nor any other.

Mr. John Forsey (Humber East): Mr. Speaker, speaking on this Bill, which concerns the district I represent, I think it is a good thing. I think the Leader of the Opposition need have no fears. Surely those people who are going to control and eventually have an opportunity to buy, if the government found they were selling cement to a subsidiary of theirs for a lower cost than the rest of the general public, they would not tolerate it. In the meantime, we have to consider it is a good thing too because these people have subsidiaries who use an awful lot of cement, and it is no secret

there is competition from the mainland, from other provinces, coming down into the heart of the North Star Cement territory and offering a very competitive price, almost too much of a competitive price. Consequently, I like to feel these people are doing it not only because there is a dollar in it for themselves, but as patriotic Newfoundlanders, because they want to keep an industry going which can survive with good management.

I am quite familiar with it, as far as the working management of the mill is concerned. There is no change in that, and I do think these people are the type who are interested enough in keeping the plant going, even if they do not make a profit. I think that we can be sure they are interested in seeing that North Star, in order to survive, must have a tremendous output of cement right in our own province. So, Sir, I have no hesitation in supporting this Bill. I think it is a good thing and I am sure the Newfoundlanders involved will also.

On motion, Bill read a second time, ordered referred to a Committee of the Whole House on tomorrow.

Second Reading of a Bill, "An Act to Provide For the Development of Housing Accommodations."

Hon. B. J. Abbott (Minister of Municipal Affairs): Mr. Speaker, primarily this Bill is a consolidation of the Slum Clearance Act. There are some amendments, some widening of the scope of the projects which may be undertaken. One thing it does seem to do is to align the provincial housing legislation with that of the Federal housing legislation. For some time, the old title of "Slum Clearance" has had a more or less stigmatized complexion and a lot of people living in subsidized rental houses felt that the fact that they came under the "Slum Clearance Act" cast a reflection on them which was more or less unfavourable, and an unnecessary reflection. It is a purely technical amendment. The word "land" is expanded to mean not only land for household purposes but land for parks and other similar projects. Community houses, for instance, come within this Act as well. It also enlarges the power to acquire and to develop the land for housing purposes. One of the chief things it does is to enlarge the land assembly

project which would confine itself just to commercial land, but now does take in land for public buildings and other projects for parks, parking areas and what have you.

The Bill will also permit the Minister of Municipal Affairs to enter into an agreement with co-operative societies, subject of course to the ratification or confirmation of the Lieutenant-Governor in Council. The Bill also provides for submission to the Lieutenant-Governor in Council a disposition of land in the event that it is not needed for the purpose for which it was acquired. Now, it may be the case that a certain amount of land had been acquired or allocated to a person for some building purpose and all the land is not necessary. For that, provision is made whereby the land can be used for another purpose and disposed of to the advantage of the former party.

Mr. Speaker, these are the main provisions and sections of this new Act, and I move second reading:

On motion Bill read a second time, ordered referred to a Committee of the Whole House on tomorrow.

Hon. L. R. Curtis (Attorney-General): Mr. Speaker, I move all remaining orders of the day do stand deferred and the house at its rising do adjourn until tomorrow, Friday at three o'clock.

June 12, 1959, Friday

(Afternoon Session)

The house met at three o'clock.

Mr. Speaker in the Chair:

Notice of Motions

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 Amend the Standard Time of Newfoundland Act."

Notice of Questions:

Notice of questions on tomorrow given by Mr. Hollett:

ORDERS OF THE DAY:**LEGISLATION:**

Second Reading of a Bill, "An Act Further to Amend the Automobile Insurance Act."

Hon. M. P. Murray (Minister of Provincial Affairs): Mr. Speaker, there are two principles expressed in this Bill. The first one is to prohibit group insurance in certain instances. As you know, there are large corporations who today insure in a group. Now, there have been attempts made in recent years to create what might be called synthetic groups, people with no connection dumped together to try to obtain group insurance with the idea of lower premiums. The only objection to that would be that premium rates, as we all know, are based on the incidence of accidents of the preceding year; and certain groups of individuals can obtain preference rates of insurance and when a number of accidents occurred only get out what they put in. It would be to the detriment of the general public, because these people do not include themselves in such synthetic groups and would have to pay higher premiums. So that, on the recommendation of the Superintendent of Insurance in Ottawa, this measure is brought in. As far as the second part of this Bill is concerned, Mr. Speaker, that is only a conformity of legislation. The recommendation came from the Superintendent of Insurance in Ottawa. The same provisions have been enacted in most of the Provinces. The general idea is just to bring our legislation into conformity with the other Provinces of Canada.

On motion, Bill read a second time, ordered referred to a Committee of the Whole House on tomorrow:

Hon. L. R. Curtis (Attorney General): Mr. Speaker, on third reading of a Bill, "An Act Further to Amend the Loan and Guarantee Act — This Bill did not go through Committee.

Mr. Speaker: I thank the hon. member.

Mr. Curtis: I was wondering if this order might not be amended to say "Committee Stage" on this Bill.

Mr. Speaker: Yes, this was brought to my attention and I intended to note that when we came to that Order. This Bill should not be here for third reading but should be down for Committee Stage. So that when we consider it we will call Committee, instead of third reading. Agreed?

Agreed!

Committee of the Whole on Bill, "An Act to Amend the Loan and Guarantee Act, 1957".

Mr. Curtis: Mr. Speaker, I would move the house into Committee on this bill and Items (2), (3), (4), (5), (6), (7), (8), (10) and (11) — all to go into Committee of the Whole except the St. John's Bill.

On motion that the house go into Committee of the Whole on various Bills.

Mr. Speaker left the Chair.

Mr. Clarke, (Chairman of Committee of the Whole).

Committee of the Whole on Bill, "An Act to Amend the Loan and Guarantee Act, 1957".

Hon. M. M. Hollett (Leader of the Opposition): Mr. Chairman, I wonder if the minister could tell us just the exact amount that is now owed by Adler's to the government.

Mr. Curtis: I cannot give you that figure, Mr. Chairman. I thought the Premier gave it the other day. I thought he said \$1,000,000. We will have the information on Monday. Let the Committee go through — We don't need to hold up the Committee.

Mr. Hollett: That is okay. Mr. Chairman, could the minister give us an idea who the directors of Fishery Products are at the present time. We are lending money to people and don't know exactly who they are.

Mr. Curtis: That I am afraid I will have to get too. I was a director up to three years ago.

Mr. Hollett: Who is the principal?

Mr. Curtis: Victor Clouston, I believe, is the principal. We will get that information for you. John Penny and Sons, Ramea, has to be added to the Bill for \$100,000.

On motion, schedule carried:

Motion, that the committee report having

passed the Bill with some amendment. Committee of the Whole on Bill, "An Act to Amend the Unimproved Lands Redistribution Act, 1957".

Mr. Nightingale (St. John's North): Mr. Chairman, I have so much unimproved land in my district: I wonder if the minister could tell me how much trouble we would have to expropriate land to make the settlement more beautiful. I am sure the land is not worth very much, mostly rock and the like — that is down in St. Phillips, mostly down near the beach. I wonder if the Minister could answer that question?

Hon. W. J. Keough (Minister of Mines and Resources): Well, Mr. Chairman, I could not give an off-hand answer. We would have to look into any particular area on the merits of the case and judge the situation then.

Mr. Hollett: Mr. Chairman, just what is meant by: (f) "the dedication to the public of the use of an existing road"? Does not the public own all the public roads in the country?

Mr. Curtis: It might be a woods road owned by a company.

Mr. Hollett: What is the meaning of the word "dedication"? The word "dedication" is used in a much more heavenly sense than we earthly people use it. I don't like the word "dedication" there.

Mr. Curtis: It is still a good legal word.

Mr. Hollett: Dedicate to the public the use of existing roads. Do the rocks go with the roads?

Mr. Curtis: Yes, we call those appurtenances.

Motion, that the Committee report having passed this Bill without amendment, carried:

Committee of the Whole on Bill, "An Act Further to Amend the Labrador Railway Act, 1948":

Mr. Curtis: Section 18, Mr. Chairman, reads: "The Government will not grant permission to any persons to construct and

operate any railway other than the railway of the Company in Labrador unless:

(a) Any applicant for permission can establish its necessity or desirability and that some other area of a railway system application has been made to the Company to supply such system and has been refused.

(b) The Company is given reasonable notice of any other application to the Government and is unable to show good cause why such application should be refused or if not refused the route of the proposed system should be varied" etc...

Motion, that the Committee report having passed this Bill without amendment, carried:

Committee of the Whole on Bill, "An Act Further to Amend the Industries Act".

Mr. Hollett: Is that authority to be given to the minister; to sell land expropriated?

Mr. Curtis: On approval of the Lieutenant-Governor in Council. The minister would not venture to do it without permission. That is the form the legislation takes.

On motion, Bill passed without amendment.

Committee of the Whole on Bill, "An Act to Authorize the Government of Newfoundland to Enter Into Agreement with M. James Boylen".

Mr. Hollett: Mr. Chairman, M. James Boylen already has concessions in that area. Could the Minister give us any idea as to what progress has been made?

Hon. W. J. Keough (Minister of Mines, Agriculture and Resources): I made some notes after a conversation with Boylen on a recent visit and we discussed at that time various enterprises he has afloat. He told me that the operation at Tilt Cove is presently producing 200 tons per day and he envisages the installation of 1000 tons per day capacity within 18 months. At Gull Bridge, which also comes under the jurisdiction of Maritime Mining, I gathered he eventually visualizes Gull Bridge will be brought in at 1000 tons per day. As soon as Maritimes pays off its bond mortgage, due in 1961, the officials contemplate paying off that mortgage before the maturity. The copper at Little Bay is also an enterprise in

which Mr. Boylen is interested. He tells me this is a proven mine of better than average grade copper. There has already been proven at least a 10 year life for a mill of 1000 tons per day. He expects production of that 1000 tons per day to begin in 1960, and envisages that, in time and he hopes a relatively short time, he might increase that production to 2000 tons per day.

With regard to Advocate Mines, which is also of interest, and the principals of which are the people who have the concession on the Burlington Peninsula where asbestos was discovered, he says Advocate will begin mine production of asbestos at 3000 tons per day in 1960, next year. They are preparing the ground now and he says that it is not at all impossible that, within a relatively short time after that, the capacity might be increased to 5000 tons per day. In any case they are putting in the installations this year. The installations are going in at the present time, a pilot plant to have a capacity of 250 tons per day. He also indicated that there is a possibility of copper, zinc and lead in the area. He made one other observation to me, and I asked him if there were any reasons why it should not be made public and he told me there were not — He said there is a possibility of two more asbestos developments within that belt. There are good indications now and, on additional exploration, they may well prove to have adequate asbestos deposits to start mills of their own. That is about all the information I have.

Mr. Hollett: I wonder if the minister has any idea of the number of men employed by these various interests, approximately?

Mr. Keough: I am afraid off-hand I don't, but I can get that information.

Mr. Hollett: I believe, Mr. Chairman, it is a fact they are under no obligation to the government. The government did not lend them any money.

Mr. Keough: That is right!

Motion, that the Committee report having passed this Bill without amendment, carried:

Committee of the Whole on Bill, "An Act Further to Amend the Apprenticeship Act".

Motion, that the Committee report having passed this bill without amendment, carried:

Committee of the Whole on Bill, "An Act Further to Amend the Health and Public Welfare Act".

Mr. Hollett: Yes, this is what I wanted — The hon. Minister of Health gave me those figures the other day, and I do think they should be made public, if the minister has no objections.

Hon. Dr. J. M. McGrath (Minister of Health): None!

Mr. Hollett: In regard to the tuberculosis death rate: In reply to a question which I asked, the hon. Minister gave me these figures, and I think the public ought to know that in 1957, from all forms of tuberculosis the death rate was 19.2 per 100,000, in 1958 the death rate per 100,000 was 14.2 from all causes.

In other words the death rate has been reduced by five per 100,000 and pulmonary tuberculosis has been reduced by four, that is to say from fifteen per 100,000 down to eleven per 100,000. We have 450,000 people in the country, and about 49 or 50 people died this year from pulmonary tuberculosis whereas 67 died in the previous year. So, Sir, that is a great improvement, and I am one who wants to give credit where credit is due, to our health officials and the health authority and of course the "TB" Association. They deserve great credit. There is no question about that. I would like to offer a word of praise because, in my boyhood days, tuberculosis was the great killer. It was terrible. I know that in certain areas where I lived almost every second family was afflicted by this white plague and only too often death visited these families. A great change has come about since that time, and a great change has taken place since the Hon. Minister has taken over the department. I am very happy to offer a word of praise to the Health Department for this reduction in the death rate. It is still too high, of course. It is still much higher, I understand, than any other Province of Canada. So do not let us pat ourselves on the back too much, but keep on fighting. Thank you, Mr. Chairman.

Motion, that the Committee report having

passed this Bill without amendment, carried:

Committee of the Whole on Bill, "An Act Further to Provide For the Development of Housing Accommodation".

Mr. Hollett: Where did the government get the idea the minister might act as an agent for the Central Mortgage and Housing Corporation in view of the recent happenings? I am wondering how that should come about. Perhaps the minister could tell us. Is there any particular reason why that clause should be there?

Hon. L. R. Curtis (Attorney General): Mr. Chairman, this is just a clause which enables the minister to carry out his functions under the agreement that is made. You see, in the department the function is to act as agent for any other corporation, any agency by agreement. This only gives him the right to accept that authority. In this last dispute we had, of course, it was not the minister, it was the St. John's Housing Authority. You remember it was not the minister, it was the St. John's Housing Authority taking action.

Mr. Hollett: Under Clause (5) — "The Lieutenant-Governor in Council may by order constitute the corporations, each of which shall consist of such number of persons as the Lieutenant-Governor in Council determines and shall be known as the "Housing Authority".

"(2) The Lieutenant-Governor in Council shall appoint the members of each Authority and shall designate one of them to be chairman and another to be vice-chairman." In view of what happened it appears to me the appointment could be made from Ottawa to these various corporations.

Mr. Curtis: No, the right of Ottawa, Mr. Chairman, is simply to nominate. We may or may not accept their nominees. We did refuse to accept one lot of nominees.

Mr. Hollett: In other words, the appointees appointed the other day were nominees of Ottawa?

Mr. Curtis: Nominees of Ottawa appointed by the Newfoundland government.

Mr. Hollett: I hope the house takes note.

We on this side of the house had nothing whatever to do with the recommendation of nominees for that authority but that the recommendation came from Ottawa — on authority of the Attorney-General.

Mr. Curtis: I don't know who told Ottawa. We have our suspicions.

Mr. Hollett: I was wondering, the monies that come in from Ottawa or these various housing projects, do they come in earmarked for that particular work or do they go into the consolidated revenue?

Hon. B. J. Abbott (Minister of Municipal Affairs and Supply): Mr. Chairman, when it is for housing, of course, it is a partnership, and goes to the partnership, Central Mortgage and Housing. They handle the funds. We do not see the money. They, of course, vote certain monies to the Housing Authority and all monies must be approved by our representative on Central Housing and Mortgage and the Ottawa representative on Housing.

Mr. Curtis: As a matter of fact, there are cases where we pay them our share. The Federal Government finances the whole project and we reimburse them our one-quarter or so as the case may be.

Mr. Abbott: As an example, we drew a cheque some time ago for \$190,000 for the partnership for these new apartments on Anderson Avenue. That was our share of the amount. That cheque was payable to Central Mortgage and Housing.

Mr. Hollett: That was approved by the legislature?

Mr. Abbott: That was for last year, Mr. Chairman.

Mr. Hollett: Not by the Lieutenant-Governor in Council?

Mr. Curtis: No.

Mr. Nightingale: Mr. Chairman, I would like to ask the minister — at the same time on Anderson Avenue the curbs were laid by the same authority and are now being replaced by the City of St. John's. Is the City of

St. John's going to pay for that or is that authority? The same thing applies to the beautiful road down through now, which is being cut up due to faulty storm sewers. These are things which in the first place should have been done properly. As far as I can see now it looks like the city has to do it. I don't know whether or not there is anything about that. We are tearing up a beautiful road to repair storm sewers to take away the water. I would like to know who is going to pay for it — If we get it from the Federal government it would be worth while.

Mr. Abbott: You are a councillor and had better find out.

Mr. Nightingale: I will next week.

Mr. Hollett: Mr. Chairman, before we wind up this, would the minister inform the house as to the correct procedure. I want a house, for instance — I try to get one of these houses erected by the Authority to rent. Would the minister give us the correct procedure for applicants?

Mr. Abbott: Yes, Mr. Chairman, the person requiring a house goes to the administrative officer, whose office is on Cashin Avenue, who will furnish him with an application form. The authority will consider that application at its next meeting or maybe at some future meeting. Now I think the first consideration is given to people who are at the present time living under extreme difficulties. Some people are living in basements and the basements are very damp. Some of these people are people who have been discharged from the Sanatorium and the doctor might recommend that they live in some suitable place and not in a damp basement. That, of course, may be considered as a priority when consideration is given to the application.

Then, of course, the idea of the whole scheme is to relieve the city of its slums. We have a lot of people living in the slums of the city. In order to get them out of the slums, of course, some accommodations must be provided elsewhere. It may be that some of those who graduated from say, the Empire Avenue apartments, those living in apartments on Empire Avenue and elsewhere whose families have increased then move on to maybe one of the new apartments on

Anderson Avenue, where there they can have an extra bedroom suitable to the family. Then the families living in the slums can move into Empire Avenue. That is the procedure, Mr. Chairman, which the authority carried on before.

Mr. Hollett: Could the minister tell us just how the rentals are fixed?

Mr. Abbott: It is according to salary. As you know, they are all subsidized rentals. I think the lowest rental is around \$52.00 a month. That may be for one or two bedrooms. As the salary increases, of course, the rents increase.

Mr. G. R. Renouf (St. John's South): The rent is fixed by the authority. Is there a distinction, or is the partnership and the authority the same?

Mr. Abbott: The partnership and the authority is the same, Central Mortgage and Housing. We have of course the two governments, Federal and Provincial. Central Mortgage is acting for the Federal. They agree on rentals.

Mr. Hollett: This has nothing to do with the St. John's Housing Authority, has it?

Mr. Abbott: The St. John's Housing Corporation, No! No!

Mr. Curtis: The Federal Government is not interested in St. John's Housing.

Mr. Hollett: Because the hon. Minister said something about relieving the slum area. That building in Churchill Park was not built for that end, I take it?

Mr. Abbott: No! That was the corporation.

Mr. A. M. Duffy (St. John's Centre): I would like to ask the minister in the case of families that do need accommodations, or who are living in extremely poor circumstances but are unable to pay the rent of \$52.00, the lower bracket, is there any discrimination shown to equally needy families, when one is unable to pay the rent, which I believe is paid by the Department of Welfare? There is no discrimination, I take it, but is a question purely of need?

Mr. Abbott: That is correct. It is purely a question of need, Mr. Chairman.

Mr. Nightingale: I would like to ask the minister — In the particular slum area in the central area of St. John's whether building is finished as far as building is concerned — I think it is a poor place to build anyway. They are supposed to be for elderly people. As far as I can see it is quite a climb up over Carters Hill or Lime Street to get to this particular place. Now the rest of the area around is supposed to be for parking, I understand. The city has been cleaning that very slowly, I will say. I don't know whether they are getting any money to clean it up. Do you know anything about that particular project in the Central Area?

Mr. Abbott: The hon. member asked two or three questions. What particular question did you want answered?

Mr. Nightingale: Well, talking about the Central Area whether building is finished as far as building new apartment houses. That is number one.

Mr. Abbott: I say, yes, it is just about finished.

Mr. Chairman: The debate on this Bill is being done all over again. We can allow questions, but — we don't want to start a new debate on this bill.

Mr. Nightingale: I am only asking a question, Sir, not debating. The housing in that central area is not finished?

Mr. Abbott: No, it is not ready yet.

Mr. Nightingale: Are there any more going there?

Mr. Abbott: I would not know that.

Mr. Hollett: Mr. Chairman, before leaving this Bill, could I just ask one more question? Is there any liaison between the minister and the minister of Public Welfare? Now I know of cases where, as the minister has said, and rightly so, these houses are designed to relieve the slum areas, In the slum areas there are some families living under dire circumstances who are not able to pay

any rent, practically. I do know the Public Welfare department will pay certain rentals for certain families. Now, is there any proper liaison between the minister and the minister of Public Welfare regarding such families?

Mr. Abbott: Well, Mr. Chairman, the hon. Leader of the Opposition means the Authority, of course. There is no liaison between the Authority and the minister. When they have people who are eligible and should go in, if they have not the means then, of course, they confer with the department of Welfare, and the department of Welfare goes into the matter as to a means test and determine that. But there is no specific person designated to act in that capacity, as liaison officer. It is done through the Welfare department. The minister is here. He may know more about that than I do, because the Authority would only report to me after they came in. I don't know how they proceed. The honourable Minister of Welfare maybe could answer that.

Hon. S. J. Hefferton (Minister of Welfare): My hon. colleague is pretty nearly correct in what he has said except there is a much closer liaison than perhaps might be gathered from what he said, because we have to try to get accommodations very frequently, and one of the first places we go would be to the Housing Authority, particularly in certain situations where it is more or less open and shut. So, I would say, yes, there is fairly close liaison, although as the minister says, there is no particular person designated as liaison officer.

Motion, that the Committee report having passed this Bill without amendment, carried:

Committee of the Whole on Bill, "An Act to Authorize the Government of Newfoundland to enter into an Agreement with Newfoundland Cement Company Limited and North Star Cement Limited".

Mr. Hollett: Mr. Chairman, in this connection it states there that the government holds a mortgage on the plant equipment and other property of North Star. Is there any possibility of having a copy of that mortgage tabled?

Hon. L. R. Curtis (Attorney General): Of course, yes.

Mr. Hollett: Would the Minister take care of that?

Mr. Curtis: Of course I will — a copy of the mortgage!

Mr. Hollett: I take it the government has the \$40,000?

Mr. Curtis: We will before it is signed. I don't think this is signed yet. This is only authority to sign, you see. No, it is not signed yet.

Mr. Hollett: I don't understand, Mr. Chairman, how these things are going ahead under this agreement not yet signed. We heard the hon. the Premier say it had been done.

Mr. Curtis: Yes, they entered into possession, but their tenure is subject to our ratification authorizing this agreement. This is the very thing you asked us yesterday. The hon. member asked us yesterday, Mr. Chairman, not to do things without authority, so we have not done it without authority. Now we are damned if we do and damned if we don't.

Mr. Hollett: I like the word "forgive" there — "to release, forgive and discharge North Star from any further liability". I don't know what you have to forgive them for. Perhaps the minister could tell us that?

Mr. Curtis: Those are only legal words.

Mr. Hollett: Meaning nothing?

Mr. Curtis: They are \$64 words.

Mr. Hollett: How does the government agree to vote the shares?

Mr. Curtis: The shares of this company now are vested in the government of Newfoundland and the government of Newfoundland will appoint three nominees to represent the government, and then will instruct these directors to carry out the terms of this agreement.

Mr. Duffy: Mr. Chairman, one point came up before in similar situations. This company has a 10 year agreement with the government, but should it run into difficulties, has the government any recourse?

Mr. Curtis: Yes, if this company fails every year to pay the dollar a ton that will terminate the agreement; similarly if they violate any other provisions of this agreement.

Mr. Duffy: What I mean is, if they operate a plant belonging now to the government and should the company not flourish, but they might out of operating capital pay royalties, in other words, meet the legal requirements of the contract, but are nevertheless going down hill, is there a way for the government to protect its interests?

Mr. Curtis: I think, Mr. Chairman, the hon. member will find the government is fully protected. Our feeling is that the government is protected — if there is any particular points we will check on them —

Mr. Duffy: I would like to know what is the present case position of the company? What is the current liability? What is the financial position?

Mr. Curtis: I think my hon. friend gave notice of that question and the answer was that it was in course of preparation.

Mr. Hollett: Would you find telling us approximately the production of North Star Cement at the present time?

Mr. Curtis: Yes, 70,000 tons per year.

Mr. Hollett: In other words we ought to get \$70,000 per year.

Mr. Curtis: That is the understanding. They undertake here to liquidate \$70,000 in preferred shares every year.

Mr. Hollett: Which means in the first 10 years we ought to get at least \$7,000 back. They will be a long time paying for it. We won't be here.

Mr. Curtis: Of course, if they ever want to acquire it, they have to do better than that.

Mr. Duffy: In connection with Section (4), I suggest the government exercise a little more care in seeing adequate quantities of insurance are carried because, according to the Auditor General's Report other plants have very inadequate coverage — and that was a violation of the agreement.

Mr. Curtis: It is always a question, Mr. Chairman, of how much insurance you can put on this type of thing. I don't know if you would call a cement mill combustible or not. I don't know what the position is now, but I am doubtful whether some buildings need insurance. On the other hand, of course, if there is no chance of fire, the rates should be very low.

Mr. Duffy: Then there is no need for it in the agreement.

Mr. Curtis: We can require them to keep insurance coverage for full cost. But you must remember there is another point, Mr. Chairman, to be considered, i.e. this property is to be sold, if it is sold at all, for the full cost to the government. Now there is another requirement when considering insurance, the question of replacement value. Sometimes the replacement value may be less than the cost and in some cases it might be more. So that is the question we are up against all the time when we have to consider the question of insurance.

Mr. Duffy: At least the investment should be protected.

Mr. Curtis: It is not always wise to protect the investment. Sometimes the property can be replaced at less than its cost, because when we estimate the cost for that operation we include the losses for the initial years and include that in the purchase price.

Mr. J. D. Higgins (St. John's East): Perhaps the Attorney-General might explain to us what is meant in sub-section (ii) Clause (4): "Will be kept insured by North Star against loss or damage by fire and against loss or damage by any other cause usually insured against by similar businesses under a policy of policies of insurance in an amount not in excess of the full insurable value thereof, and in an insurance office or offices all as prescribed or approved from time to

time by the Government Director. Any loss payable under any such policy or policies of insurance will be made payable to North Star and North Star will pay all premiums and sums payable from time to time for the keeping up of such insurance and will deliver to and leave with the Government Director the policy or policies of such insurance and a receipt for every premium or sum payable in respect thereof at least forty-eight hours before the same becomes due. In the event that fire should destroy the plant, North Star shall be required to apply the insurance moneys so received to the redemption at not in excess of the par value thereof of the then outstanding Preferred Shares. If the insurance moneys are not sufficient to so redeem all the then outstanding Preferred Shares, and if North Star does not redeem the balance of the then outstanding Preferred Shares within ninety (90) days thereafter, the government shall have the option of terminating this agreement." Now who is to tell what is the full insurable value, the person issuing the policy or the person paying it?

Mr. Curtis: I would say it would be arranged by the government Director who would be on the job, subject to such instructions as he may receive from the company.

Mr. Higgins: But the point of the thing is this: The point was made that a building might not perhaps be liable or capable of major destruction by fire. Surely a company is not going to allow insurance then for \$250,000 on a building which could be replaced for \$100,000?

Mr. Curtis: I agree. That is the reason I don't know why they wanted to put it that way — "in an amount not in excess of the full insurable value thereof." No insurance company would insure.

Mr. Higgins: They might insure but would not pay.

Mr. Hollett: What is the meaning of this? "If the insurance moneys are not sufficient to so redeem all the then outstanding Preferred Shares, and if North Star does not redeem the balance of the then outstanding Preferred Shares within ninety (90) thereafter, the government shall have the option of

terminating this agreement". Can North Star redeem preferred shares?

Mr. Curtis: Mr. Chairman, my hon. friend has fallen into the trap of the layman — one company can hold the shares and a company can still function — all that is involved here is the purchase by the Newfoundland Cement Company Limited of shares of North Star.

Mr. Hollett: Who are North Star?

Mr. Curtis: North Star is now the government of Newfoundland. The government owns all the shares of North Star now. This agreement contemplates the sale by the government of its shares in North Star.

Mr. Hollett: And North Star, which is the government, will not without prior approval of the government Director in writing..?

Mr. Curtis: That is put in that way — although by the company. You see this is the case where there is an operating agreement. The government owns the shares but the government is not capable of properly managing the plant. We will appoint two directors they nominate to manage the business. It is a little complicated. On motion the Committee recessed for 10 minutes.

AFTER RECESS:

Mr. Hollett: There is just one point there in Clause (5) — Why should North Star pay all the repairs.

Mr. Curtis: Well they are not paying them. They get that much less profit. The directors of a company are paid by a company and the expenses are paid by the company.

Mr. Hollett: There won't be very much profit.

Mr. Curtis: It has to be \$70,000 a year or a dollar a ton.

Mr. Hollett: If there is no profit there is no \$70,000.

Mr. Curtis: No \$70,000, no agreement.

Mr. Hollett: The agreement is here.

Mr. Curtis: I know. It can be cancelled.

Mr. Hollett: You are going to have trouble. Who is North Star? how is it the government can make an agreement with the government? I don't see that. I have already been informed that North Star is the government.

Mr. Curtis: What they call a subsidiary.

Mr. Higgins: "...the exclusive rights to explore, investigate, develop, win..."

Mr. Curtis: Anybody who has a mine wins the products of that mine. That is the expression which is used. "Win" iron ore from Bell Island, coal from North Sydney. I assume, Mr. Chairman, it is 70,000 tons. One of my colleagues threw some doubt on whether that was the production, but I understand it is 70,000 tons a year.

Mr. Hollett: You are going to let us have that information on Monday?

Mr. Duffy: Mr. Chairman, North Star will redeem, within three months, certain preferred shares. "Will" redeem or "shall"? Are they bound to redeem them? That is where they buy these shares at half their profit?

Mr. Curtis: They either have to pay a dollar a ton or half their profits.

Mr. Duffy: Are they obligated to buy these shares?

Mr. Curtis: Oh yes! I think "will" is alright there.

Mr. Hollett: Directors all except one will be appointed by the government, who says here it will be the Director of Economic Development. He will represent the government. Who will override the working of North Star?

Mr. Curtis: The shareholders, in the long run.

Mr. Hollett: That is the government. I mean the day to day operations.

Mr. Curtis: The directors of the company who will be elected by the government but nominated by the company.

Mr. Hollett: Mr. Chairman, when the company has already purchased all the preferred shares are they allowed to buy the common shares? Is that the idea there?

Mr. Curtis: Yes, that is right, if there are no preferred shares outstanding. You see, what happens is this: The government at the moment has a mortgage on that plant. The government is going to cancel the mortgage and take, in lieu of the mortgage, preferred shares to the full amount that is owed by North Star to the government. In other words, the full amount the government invested. Then these preferred shares are to be redeemed, so many each year. When they are all in the hands of the company, when all these shares are redeemed and the government have received back the entire investment, and all the government will have lost will have been interest, when the government receives back every cent put in, then the company will have the option of buying these shares.

Mr. Hollett: After they have paid the \$4 million etc.

Mr. Curtis: This company is a wonderful asset, if we could only realize that. Take 70,000 tons of cement at \$20 a ton, say \$20 — just think how much money that is to be kept in the country, \$1.5 million.

Mr. Hollett: I wonder if the minister could tell us what the imports of cement are at the present time?

Mr. Curtis: No! They are not very great. The only cement that comes to Newfoundland, I understand now, is when a ship is coming out in ballast and they fill her up with cement and dump it on the market here.

Mr. Hollett: You don't mean to tell me that 70,000 tons take care of the Newfoundland market?

Mr. Curtis: Pretty well. I don't think we can see that much. Mr. Chairman (9) — (2) states: "The Managing Company shall have

the right to terminate this agreement at any time, whether before or after the expiration of 10 years from the effective date of this agreement, or three months written notice to the government on the expiration of which notice the Managing Company shall withdraw from the management and control of North Star and shall deliver to the government the resignations of the nominees of the Managing Company who are then Directors or Officers of North Star".

Nor, with a project of this size and with the obvious potential, it does not seem reasonable to have such a short time as three months. The government could be put in an extremely awkward position. I don't think, Mr. Chairman, three months is too short a time because we must remember if they did throw it back to the government it really only means the situation as it pertains now would pertain again. It is not as if the management goes out. It is only the directors will go out. The managing directors will be the same as they are now. These officials all remain.

Mr. Duffy: They forfeit the \$50,000?

Mr. Curtis: It is a long time since I drafted this.

Mr. Duffy: They give them back the \$50,000?

Mr. Curtis: Indeed they won't. No!

Mr. Duffy: That money has gone down the drain. I heard the Premier say there will be no money put in. They have to finance it themselves now. There will be no money put into this?

Mr. Curtis: None at all. They have to finance it now. Mr. Chairman, in Clause (15), Section (2) "If North Star is desirous at any time of acquiring private lands or any rights therein or thereover for or in connection with or incidental to the construction, operation or maintenance of any facilities of North Star in the province, North Star may, with the consent of the government and without the necessity of obtaining any judicial or other authorization or order, but subject to sub-clauses (2) and (3) of this clause, enter upon and assume possession of and

expropriate any lands belonging to any person or company or any rights therein or thereover that may be required for the purposes aforesaid or any of them and the compensation to be paid by North Star to the owner or lawful occupant for and in respect of such lands or rights or the damage or injury sustained by the owner or lawful occupant through the exercise by North Star of its rights under this clause shall, unless settled by private agreement, be determined by arbitration to be conducted in accordance with the provisions of clause (17) of this agreement, except that the two arbitrators to be appointed by the government and the Managing Company respectively shall be appointed by the party being expropriated and by North Star respectively." Mr. Speaker, the words "or any of them" should come out.

Clause (15), as amended, carried:

Mr. Claude Sheppard (Harbour Grace): Mr. Chairman, I see that Clause (15) gives the right to enter upon private property without obtaining any judicial or other authority; (2) gives the Company the right to enter upon any property without a judicial order and then Clause (17) is the section which deals with arbitrators — appointed one by the government and one by the managing company and the third by the two arbitrators first appointed. In other words, a person who has his property taken by the company has no right under this agreement to appoint an arbitrator.

Mr. Curtis: Well, arbitrators are appointed under Clause (15) too. This must be arbitration as between the government and the company. The arbitration in the case of property is covered under Clause (15).

Mr. Sheppard: Yes, subject to Clause (17).

Mr. Curtis: Yes, except you see: "except that the two arbitrators to be appointed by the government and the Managing Company respectively shall be appointed by the party being expropriated and by North Star respectively."

Mr. Sheppard: Oh yes! I see.

Mr. Hollett: I think the hon. member has something there. I am not satisfied with that

yet. Clause (17) says there shall be three arbitrators, one to be appointed by the government, one by the Managing Company and the third, who shall be the chairman, to be selected by the two arbitrators first appointed". The person owning the land has no rights.

Mr. Curtis: But the hon. member saw the error of his ways and he looked at Section (2), Clause (15) which remedies that situation because it says the arbitration shall be conducted in a similar manner to arbitration in Clause (17) with the exception that two arbitrators, to be appointed by the government and the Managing Company, shall be appointed not by these two but by the party being expropriated.

Mr. Hollett: My hon. friend next to me was talking at the time and I did not get it.

Mr. Hollett: Under Clause (20), (4) — "North Star shall, before the twenty-fifth day of January in each year during the currency of this agreement or any agreement or lease made in pursuance of this agreement, submit a report to the government". Why would not that be to the legislature?

Mr. Curtis: Because it is always done to the government. The legislature might not be session. These things are tabled with the government and the government makes them available to the legislature upon request.

Mr. Hollett: Always in the past, Mr. Chairman, we were unable to get any particulars about any particular companies. They submit a report to the government. The government is holding it and we table questions and don't get any answers. I think this is a very good opportunity to remedy that.

Mr. Curtis: Actually, Mr. Chairman, perhaps the minister of Mines and Resources can tell us more about that. As my hon. friend knows, every mining company that wins ore has to give an annual report, has to pay taxes and all that. It would be impossible for a company to make such returns to the legislature. My hon. friend knows that. I know what he is hinting at, but it is not that clause. Here is a clear case — Every company that does mining develop-

ment has to give an annual report to the minister of Mines and Resources as to the amount of ore he has (mined), and he has to pay to him the taxes on it.

Mr. Hollett: That is a private company. North Star is not a private company. The government owns it. The Hon. Minister is making a mistake.

Mr. Curtis: No I am not. Even though North Star is publicly owned, even though the government owns the shares, from the point of view of the government it is a private company operated -

Mr. Hollett: Not at all. North Star is not the government. A few minutes ago the minister said all the shares were owned by the government.

Mr. Curtis: Quite right. My two remarks were quite

Mr. Hollett: I can quite realize why the legislature might not get the report of the Iron Ore Company of Canada. I am sure everybody understands that. But here is North Star, which is government owned, and into which the government and the people of this country put \$4,740,000 and they are supposed to make a report every year as to the tonnage, sales, total men employed, wages, salaries and so on. Why cannot we have that?

Mr. Curtis: I think that information would be given to the hon. member with respect to every company in Newfoundland — Have we ever refused to give such information?

Mr. Hollett: All the new industries?

Mr. Curtis: The new industries have not been asked that question.

Mr. Hollett: I have asked how many men were employed by Superior Rubber and have been told it is a private company and we can't tell you.

Mr. Curtis: This is a mining company. The information covered by this clause is the kind of information available from every mining company who do business in New-

foundland, and members of the house are entitled to it.

Mr. Hollett: That is on the record?

Mr. Curtis: To all minerals quarried in Newfoundland.

Mr. Hollett: Only the new industries you were referring to — this is one of the new industries.

Mr. Curtis: Oh yes, but this is a question of mining and minerals won. That information is available, in fact, it is published every year in the annual report of the minister.

Mr. Hollett: I take it that at the end of next year the holder of the preferred shares, which will be the government, shall receive a dividend? That is implied there.

Mr. Curtis: I think that is a pretty optimistic implication.

Mr. Hollett: That is what it says. Motion, that the Committee report having passed this Bill with some amendments, carried.

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

Mr. Clarke: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and directed me to report having passed Bills Nos. 77 and 54 with some amendment.

On motion report received, Bills ordered read a third time on tomorrow:

Mr. Clarke: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and directed me to report having passed Bills Nos. 52, 53, 55, 60, 61, and 51 without amendment.

On motion report received, bills ordered read a third time on tomorrow: Second Reading of Bill, "An Act Further to Amend the Companies Act":

Mr. Curtis: Mr. Speaker, the Companies Act requires companies to file an annual return containing a list showing the names and addresses and occupations of all per-

sonnel of the company. It is virtually impossible for large companies whose shares are sold to the public to comply with the provision. The amendment contained in this Bill will give the Registrar of Companies discretion to exempt companies whose shares are listed on the stock exchange, or which has more than 50 members from complying with some of the more onerous requirements. However, the company should still file with the Registrar a list of its Directors and the number of shares held by each. For instance, a company such as Anglo-Newfoundland Development Company, if they have to file a share list, it must be a very, very considerable burden because their share list must have thousands and thousands and thousands of subscribers.

Mr. Hollett: Have they been doing it?

Mr. Curtis: Yes! But it is not done in any other Province and is not done in connection with Dominion Companies. It is an old English custom which I think we need not continue in this Province. Actually I would say it would discourage companies from operating here if they had to file that. Now, it also makes provision which applies to a company which has shares sold on the stock exchange and also says companies of over 50 members. Perhaps when the house is in Committee we might like to make it 25 or 100. The figure 50 is purely arbitrary, and perhaps the legal members of the house might like to express their views as to that. However, the companies still have to file lists of directors and the number of shares held by Directors.

The Companies Act sets out various fees to be collected by the Registrar of Companies. The only fee not listed is a fee for the registration of mortgages. Sub-section (3) subscribes a fee of \$1 for the filing of mortgages. This conflicts with the provision in the table (E) under which appears \$5 charge for registering of a mortgage. So \$5 is designed for any document hereby to be registered under memoranda of association. The amendment of the attached Bill resolves the conflict.

Section (70) also requires registration at the Registry of Companies of mortgages created by the company under certain circumstances. These mortgages may be of land or of chattels. Where there is a mort-

gage of land it is customary to have the mortgage registered in the Registry of Deeds. The present sub-section (10) is uncertain as to whether a company registering a mortgage under the Registry of Deeds Act it would be necessary under the Companies Act. This is simply to avoid unnecessary duplication of work, since the Registry of Deeds and the Registry of Companies are both under the same officials and in the same division of my department. In other words, instead of registering a document once under the Registry of Deeds and then under the Companies Act, just register a notice of it under the Companies Act. All solicitors know how difficult it is to get printed two mortgages, both of which are to be deposited for registration in the same office. The amendment to Section (70), (10) should be given retroactive effect to the date when the Act came into force.

Where an order is made to the courts in order to confirm reduction of capital where the reduction involved the paying back of capital or the diminution of any liability in respect of unpaid capital or the payment of any shareholder of any paid-up share capital, the court may dispense with enquiry if it thinks proper so to do. It is the practice in this country for the court to dispense with the enquiry in proper cases; for example, if a company undertakes to keep on deposit sums in excess of liability proven to them, and also dispenses with the enquiry if the company files the guarantee of a bank that all creditors will be paid. The amendment set forth in Clause (4) is based on the English provision enabling the English Courts to follow procedure outlined above.

All foreign companies are required to file their prospectus with the Registrar of Companies and also the Registry of Securities Act. The amendment under Clause (5) proposes to excuse the company from filing an extra prospectus under the Companies Act where it has already been done under the Securities Act, if the company files a notice to that effect. In other words, instead of filing under both Acts they now file under one, and file a notice under the other.

Insurance companies which have been formed under our Companies Act have to comply with certain specific requirements. As the Companies Act now stands, the requirements apply to companies which are

being incorporated to carry on business as insurance agents. The amendment sets up Clauses (6) to (11) underlying procedure to be followed for the incorporation and supervision of insurance agents under the Companies Act. In other words, it was hitherto necessary for companies who are purely insurance agents to comply with the provisions of the insurance law as if they were the insurance companies themselves, and that was obviously never intended. Clause (12) is designed to revise the form required to be filed under the Companies Act which does not now coincide with the provisions of Section (3), which sets out some of the provisions which should be included in the form. The new form is parallel to (3) and sets out the information the companies are expected to file.

Mr. Speaker, I move second reading. I might say, with the consent of the house, I referred to the notes on this Bill. It is a bit technical and I wanted to be accurate in describing it.

On motion, Bill read a second time, ordered referred to a Committee of the Whole House on tomorrow.

Second Reading of a Bill, "An Act Further to Amend the Education Act".

Hon. S. J. Hefferton (Minister of Education): Mr. Speaker, I move the second reading of this Bill. There are several amendments to which I will call the attention of the house. In Clause (1), there is an enlargement of the interpretation Clause, giving a definition of Central High School and Regional High School, two kinds of schools which have come into existence during the last few years.

Immediately following that there are provisions whereby a teacher who is on sick leave with half pay shall be deemed, for the purpose of this Act, to have taught school for half of his sick leave.

It happens occasionally that teachers, chiefly because of weather conditions are delayed in reaching their schools in time for the scheduled opening. When the reason for such delay is proven to be weather conditions (to the satisfaction of the Board), the Council of Education, at the request of the Board, providing that request is received before the 31st of December in the school year, may allow the teacher to teach for a certain number of Saturdays, and such

Saturdays shall be considered as school days under the provision of this Act. This provision is in the original Act, as a matter of fact, with a change in a few words. In the original Act it says "during the course of the year". In the amendment the decision has to be taken before the 31st day of December in that year.

In the original Act there is provision whereby money may be allocated any Board for educational purposes on a 50-50 basis. The amendment changes the basis on which that help is given, and instead of the 50-50 basis, as it has been hitherto, it is changed, and where the school is registered as a Regional High School or Central High School, the cost of which is proportionately higher than an ordinary country school. The Board or local people shall be called upon to provide 30 percent of the cost and the government finds 70 percent, as against the 50-50 now prevailing. There is a further provision in that amendment dealing with the educational purposes for which funds may be obtained for teachers' residences, a matter which has become more and more important as the years go by.

The next amendment deals with apportionment of monies allocated by the government for various educational purposes — monies provided by the legislature I should have said. Such monies are apportioned out, one share for each of the religious denominations. Under the present Act, we have five denominations but there should also be put aside a share for all others, and provision is made whereby, if that share which is being apportioned according to population ratio to others, is now used by others in the course of the year, that money may be, at the proper discretion of the proper superintendent, designated for that purpose and be spent as will serve best in the interest of other denominations. These, Sir, are the main amendments, and I move the second reading:

On motion, Bill read a second time, ordered referred to a Committee of the Whole House on tomorrow:

Second Reading of a Bill, "An Act to Amend the Vocational Education Act".

Mr. Hefferton: Mr. Speaker, I move the second reading of this Bill. Under the original Act provision is made whereby the principal of the Vocational School shall, at the

same time, be the director of Vocational education. This first amendment makes it possible that the same person shall not, or may not, exercise both functions. In other words, we may have a director of Vocational education. Because, Sir, the matter has become more province-wide than it used to be. At the same time we can have a principal of the Vocational training school here but be somewhere else in the Province as well.

The second amendment is the same as in the original except that we dropped the deputy minister of Co-Operatives who was one of the members of the Board, because there is no longer a deputy minister of Co-Operatives. In Section (3), subsection (b), provision is made whereby, if a man is appointed as a member of a Board and finds for some valid reason that he is unable to attend, he may send a substitute, someone who can take his place, as an alternate. Finally, provision is made whereby various committees may be set up to act in an advisory capacity, not only in St. John's, where up to now most of this work has been done, but in various other places in the Province where vocational schools may operate in the future.

Mr. Speaker, I move second reading of this Bill:

Mr. Hollett: Mr. Speaker, I have very little comment to make on that except the one I have made on several occasions. It seems all these appointments now-a-days are made by the Lieutenant-Governor in Council. Here you are going to appoint a director of Vocational Education and make a political appointment out of it. I don't approve. I cannot think the present administration, at any rate, would appoint anybody not a dyed in the wool Liberal, active Liberal, as the head of a vocational training school. Not at all! They would appoint a Liberal, steeped in the essence of Liberalism. There is no question about that. It has been done steadily since 1949 on every Board and everything else being appointed by the government. Now it is getting into education. Now, I quite understand certain patronage and that sort of thing but, in education, I think we should keep away from that. Who constitutes the Board in this Act? Can they not appoint the Directors or cannot some educational authorities? The Lieutenant-Governor in Council may appoint a director

of Vocational Training. Why should that be?

Mr. Curtis: It is a Civil Service appointment.

Mr. Hollett: It is not civil service — holds office at the pleasure of the government — fired by the next government to come in. I never heard of the like, to have such a person appointed by the Lieutenant-Governor in Council. That is the only objection I have to it. Certainly we want Vocational Training Schools and good directors of those schools. The government may appoint good directors. I am not saying anything about that. I do not think the system is right because the government can today appoint John Jones as the head of a Vocational Training School, with no tenure of office but he is there only at the pleasure of the government and, at the whim of the incoming government, may be kept there or not. The other government may appoint another man in his place. I don't think that is the way an Educational director should be appointed.

Mr. Curtis: In reply to that, Mr. Speaker, I am sure my hon. friend is not serious in suggesting that appointments of Educational directors are made on the basis of politics. I don't think my hon. friend means that. I think he is trying to "pull our leg". He is getting tired. It is late in the afternoon and he is trying to take advantage of our restlessness and perhaps trying to wake us up a bit and perhaps get us on our feet. But I can assure the hon. member that when an appointment like this is under consideration, the main point that worries this government, as it has worried governments in the past, as, I believe it will worry governments in the future, is the qualifications of the proposed appointee. The minister of Health appoints doctors in his department. I don't believe any of them have any politics, and if they have I am very well sure, Mr. Speaker, the last thing in the world that is thought of is politics. It is the same with the directors of Education. The government does not play politics with education. I think it is clear to every member of this house that any appointment that has been made in Memorial University, the department of Education, any of these Boards, are all done

purely on the basis of merit.

I would be surprised very much indeed and I would be grateful if my hon. friend would bring before this house any case where it has even been suggested for a moment that there is any political motive in making these appointments. Our politics will be served better by the results that are achieved — and I would much rather the results achieved by people who are appointed on merit than those appointed politically. We are interested in the results and we would not jeopardize those results for one moment by appointing people in whom we have not absolute confidence. Mind you, in an actual showdown where we had John Jones and Bill Smith and could not choose between the two we would be less than human if we did not. It is like the story of the man who had two wives, and had to be very particular between the two. He was afraid to give a little tilt over towards Lizzie — well, we might, if we had two people with equal merit, give a little leaning over towards one. But I can assure the hon. member that is not our intention. We are more interested in the results.

Now, Sir, there is one Clause in this Bill I am a little bit worried about, and we can probably discuss it in Committee. That Clause says that any member of a Board who cannot attend a meeting can send a substitute to act for him. I don't like that.

Mr. Hollett: No, certainly not!

Mr. Curtis: That is a matter we may have to discuss in Committee but it is not an important section of the Bill, and for that reason I support the Bill.

On motion, Bill read a second time, ordered referred to a Committee of the Whole House on tomorrow.

Second reading of a Bill, "An Act Further to Amend the School Attendance Act".

Hon. S. J. Hefferton (Minister of Education): Mr. Speaker, I move second reading of this Bill. The two or three amendments are not very contentious. The first amendment recommends that the chief school attendance officer shall be the person stated, Stipendiary Magistrate, as provided, who sends in a report signifying the child's absence from school. The second provides that, where it is possible for a child to avail

himself of bus transportation, then the distances which are named in the original Act, one and a half miles and two respectively, shall not apply. The other main section of the Act is the penalty clause penalizing those people who do not take advantage of the opportunities being offered and prevent their children in any way from attending school, the school which is nearest to them. The other thing contained in this particular amending Bill is the matter of clarification of existing Legislation.

I move, Mr. Speaker, second reading. On motion, Bill read a second time, ordered referred to a Committee of the Whole House on tomorrow.

Mr. Curtis: Mr. Speaker, I move that all further Orders of the Day do stand deferred and that the house at its rising do adjourn until tomorrow, Monday at three o'clock.

Monday, June 15, 1959

(Afternoon Session)

The house met at three o'clock.

GIVING NOTICES

OF MOTIONS:

Hon. M.P. Murray (Minister of Provincial Affairs): Mr. Speaker, I give notice I will on tomorrow ask leave to introduce a Bill, "An Act Relating to Historic Sites and Records."

ANSWERS TO QUESTIONS:

Mr. Abbott tabled answer to Question 37. (See Appendix)

ORDERS OF THE DAY:

LIQUOR STORE CLOSING ORDERED:

Mr. G.R. Renouf: Mr. Speaker, I wonder if I might ask either the Minister of Finance or the Minister of Public Works on what authority or for what purpose was the announcement of the closure of liquor stores for the Queen's visit made. I heard quite a

reaction in that direction — not that I have any personal protest to make, but it gives me the impression of being a pointless sort of thing on the occasion of a special visit like that. It leaves the impression amongst citizens here that they are children of immature age not able to look after themselves — at least it is implied.

Mr. Speaker: If the hon. member will excuse me — He seems to be making a speech rather than asking a question.

Mr. Renouf: The question was prolonged, I will admit, Mr. Speaker. Perhaps the minister concerned might be able to explain the purpose of the announcement.

Hon. L.R. Curtis (Attorney General): I am not in a position, Mr. Speaker, to answer the question at the moment. Later on in the day I will try to find out whose suggestion it was.

LEGISLATION:

Hon. the Minister of Finance asks leave to introduce a Bill, "An Act Further to Amend the Civil Service Act." On motion Bill read a first time, ordered read a second time on tomorrow.

Hon. the Minister of Mines and Resources asks leave to introduce a Bill, "An Act To Amend and Consolidate the Law Respecting the Operation of Saw Mills." On motion Bill read a first time, ordered read a second time on tomorrow.

Hon. the Attorney General asks leave to introduce a Bill, "An Act To Amend the Standard Time (Newfoundland) Act." On motion Bill read a first time, ordered read a second time on tomorrow.

COMMITTEE OF THE WHOLE:

SUPPLY: MUNICIPALITIES:

Hon. the Minister of Finance asks leave to Move the House Into A Committee of the Whole To Consider Certain Resolutions Respecting The Local Authority Guarantee Act, 1957." On motion Mr. Speaker left the Chair.

Mr. Clarke (Chairman of Committee of the Whole).

Hon. B.J. Abbott (Minister of Supply): Mr. Chairman, the Town Council of the Town of Bay Roberts, \$10,000: That is for the purpose of a building for use as a town office and council chambers.

The Town Council of the Town of Burin, \$20,000: That is to defray the cost of surfacing undertaken in connection with the proposed installations of water and sewerage.

The Town Council of Carbonear, \$500,000: That is also for extension of water and sewerage, \$200,000 to be expended in 1959, \$200,000 in 1960 and \$100,000 in 1961, taking three years to complete. The Town Council of Channel-Port aux Basques, \$35,000 for three years — That is for the erection of a Town Hall. The Town Council of Gander, \$90,000 for 20 years — that too is for the extension of water and sewerage to serve what is known as the Beaverwood Area. That is a part of Gander which has not been serviced up to the present time.

Hon. M.M. Hollett (Leader of the Opposition): May I interrupt the hon. minister, Mr. Chairman, to ask if he would inform us what is the population of Glenwood at the present time, approximately?

Mr. Abbott: Glenwood, Mr. Chairman, at the present time has around 800 people. I might also say that Glenwood's population is increasing almost daily. People are moving in from the coast, from Gander Bay and that area because of course, of the fact that men can get practically 12 months work there. Bowaters, as you know, are operating there and they still can take care of a number of men, not seasonal labour but practically 12 months labour. The men are coming in. It is true some of them have been loggers all these years and now they find it is more practical for them to move in right on the spot into Glenwood where facilities are at their disposal. So we visualize Glenwood as having a population of 1000 people within less than five years. I doubt very much that the town will have water and sewerage this year. There is a lot of work to be done in connection with services etc. before the work can actually start. Further-

more, we are determined to get the peoples' consent in advance because the cost may be great, and we must get the peoples' consent before we undertake any expenditure in that connection. Are there any other questions the hon. Leader of the Opposition would like to ask?

Mr. Hollett: I take it this 260 is for the purpose of water and sewerage? I was under the impression a lot of people settled in Glenwood, in a sort of isolated area of Glenwood, and found great difficulty in getting from the settlement to the main road because somebody neglected to construct the road to the location. I was wondering if the minister might comment — This is water and sewerage, perhaps it is out of order.

Mr. Abbott: In reply to that, Mr. Chairman, the town council last year did some extensive work to the road in Glenwood and are this year undertaking work as well. They were given a grant of \$3,000, a special grant. Some considerable work has been done on the road and even the most isolated areas in Glenwood are now being connected by roads.
Town Council of Placentia, \$20,000 over a period of five years.

Mr. Hollett: To build a bridge?

Mr. Abbott: Not the bridge, no! This is for a town hall for Placentia.

The Rural District Council Springdale-South Brook, \$28,000 for 20 years. That is to complete installations of an electric system in the area.

The Town Council of Stephenville, \$250,000 over a period of 20 years. That is for the paving of streets there. I may say the town plans to increase the taxation there.

Their ability to pay has not been overtaxed and they hope to increase the taxation so that it will take care of the interest and other carrying charges.

The Town Council of Mount Pearl, \$36,000 — That is to defray the cost of a survey for a water and sewerage system.

Mr. G. Nightingale (St. John's North): I would like to ask the hon. minister one question — Who will undertake the laying of the

water and sewerage system, the Town Council of Mount Pearl itself?

Mr. Abbott: Mr. Chairman, the survey has been carried out.

Mr. Nightingale: The only thing I am worried about — they will eventually have the road paved and then have to dig it up, like in the city today, in the event of water and sewerage trouble. All divisions should be pre-planned in all sections so that connection would be laid on instead of having to dig up the roads all the time. That is the only reason I asked the question.

Mr. Hollett: Could the minister give us approximately the figures now with regard to guaranteed loans to the various town councils throughout the country?

Mr. Abbott: Mr. Chairman, I would require some time to give you that, but I should be pleased to give that information if it were put in the form of a question.

Mr. Hollett: We would probably get it from the Public Accounts. I thought that off-hand the minister would be able to supply it.

Mr. Abbott: Off-hand no.

On motion, Resolution carried:

On motion, the Committee rose and reported having passed the Resolution.

Mr. Speaker resumed the Chair.

Mr. Clarke (Chairman of the Committee of the Whole): Mr. Speaker, The Committee of the Whole have considered the matters to them referred and directed me to report having passed the Resolution and recommend that a Bill be introduced to give effect to the same.

On motion, report received.

On motion, Resolution read a first time.

On motion, Resolution read a second time.

On motion a Bill, "An Act Further to Amend the Local Authority Guarantee Act, 1957" read a first time, ordered read a second time on tomorrow.

STATUTORY SALARIES:

The hon. minister of Finance asks leave to move the house into Committee of the

Whole to consider certain Resolutions in Relation to Providing of Salaries For the Comptroller of the Treasury and the Auditor General.

On motion Mr. Speaker left the Chair.

Mr. Clarke, Chairman of Committee of the Whole.

Mr. Hollett: What are the salaries now?

Premier Smallwood: They are \$12,500.

Mr. Hollett: In 1959 statutory salary was \$10,000. The statute reads "ten thousand dollars."

Premier Smallwood: This amends that statute. Their statutory salary was amended previously.

Mr. Hollett: In the old days the Comptroller and the Auditor General were one and the same person.

Premier Smallwood: We have to separate men who perform these functions but one of the men also acts as deputy minister of finance, for which he gets no salary. The salary he gets is as Comptroller of the Treasury. That is what this refers to. He is not statutory as deputy minister of Finance. He is statutory as Comptroller of the Treasury, i.e. this house employs him, this house fixes his salary by statute and if he is to get more salary it can be done only if the house amends the statute. He is an officer of this house. The Auditor General and Comptroller of the Treasury both are officers and employees, not of the government but of this house, and the salaries are fixed by special statute of this house and are changed by the house amending it and that is what this is now.

Mr. Hollett: Was it not amended last session? The cost of living?

Premier Smallwood: It is a longer story than that. They have to pay more to doctors or lose them. If they have to pay more to doctors, they also have to pay more to a limited number of high officials or lose them.

On motion, the Committee reported having passed the Resolutions.

Mr. Speaker resumed the Chair.

Mr. Clarke: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and directed me to report having passed certain resolutions and recommend that a Bill be introduced giving effect to same.

On motion, report received.

On motion, Resolutions read a first time.

On motion, Resolutions read a second time.

On motion, A Bill, "An Act Further To Amend the Revenue and Audit Act", read a first time, ordered read a second time on tomorrow.

On motion, the following Bills were read a Third Time, ordered passed, and title to be as on the Order Paper.

A Bill, "An Act To Amend the Loan and Guarantee Act, 1957".

A Bill, "An Act To Amend the Unimproved Lands (Redistributions) Act, 1927".

A Bill, "An Act Further To Amend the Labrador Railway Act, 1948".

A Bill, "An Act Further To Amend the Industries Act".

A Bill, "An Act To Authorize the Government of Newfoundland to Enter Into An Agreement with M. James Boylen".

A Bill, "An Act Further To Amend The Apprenticeship Act."

A Bill, "An Act Further To Amend The Health and Public Welfare Act."

A Bill, "An Act To Provide For the Development of Housing Accommodations".

A Bill, "An Act To Authorize the Government of Newfoundland To Enter Into An Agreement With Newfoundland Cement Company Limited and North Star Cement Limited."

On motion that the house go into Committee of the Whole on various Bills.

Mr. Speaker left the Chair.

Mr. Clarke (Chairman of Committee of the Whole):

CITY OF ST. JOHN'S ACT::

Committee of the Whole on Bill, "An Act Further To Amend The City of St. John's Act."

On motion clauses (1) through (7) carried.

Hon. M.M. Hollett (Leader of the Opposition): I understand, Mr. Chairman, that the Attorney General was to make some recommendations in regard to that, at least I

think he was going to have some comment on it, at least I understood and hoped he would.

Hon. L.R. Curtis (Attorney General): What I did say, Mr. Chairman, was that I could not accept the section of the clause which provided the Council the right to demand of every citizen in the city that they clear the snow off the sidewalk and the gutter in front of their homes and that they take it and dump it either in the harbour or in some place approved by the Council. I certainly don't agree with the section which says that those who are landlords are obliged to do the sidewalk and gutter in front of any houses they own, and collect the cost of doing it from the tenants.

As I was saying while the Bill was in second reading — which of the tenants in the house occupied by three tenants is going to pay the landlord for the removal of the snow, and in what proportion? In any event, I don't think it is fair to make the citizens remove snow from the sidewalks that was dumped in by snow plows. It is bad enough removing what the Lord sent, but to be liable to remove the snow that the Lord puts in the middle of the street and the snow plow dumps on your land and you have to take and dump in the harbour and when you have that dumped in the harbour the Council can dump more.

Mr. Hollett: Is your department responsible for that?

Mr. Curtis: No. This is drafted by the Solicitor General and sent to us for comment. As far as I am concerned, I don't feel like accepting Section (8). But, Sir, this is a non-partisan measure and I am speaking as a private member, and I think it is a matter on which we ought to have the view of the house.

Premier Smallwood: Mr. Chairman, it strikes me that if we pass that into law, making the occupant of a house liable for removal of all snow in front of the house or the owner or which ever you like, the only thing you could hope to get, practically speaking, is that on a street or on a block of a street or a number of blocks on the street all the owners of the houses forming a co-operative society; a snow removal co-operative society for the block, and on sec-

tions (a) and (b) or blocks (a) and (b) — all the owners of houses on a block or street to form themselves into a co-operative society.

They would buy shares and follow the principles of co-operative societies, in which one shareholder has one vote regardless of the number of shares, and then get a loan from the bank or from the government and employ snow-removing equipment, snow-loading equipment and trucks to convey the snow to the harbour. Certainly the individual house owner could not cope with the kind of snow that fell, for example, this past winter, where, when the sun was splitting the rocks some weeks ago, you could go along Elizabeth Avenue and still see great banks of snow which originally had been higher than the cars, and indeed had buried cars completely underneath. But, Sir, if the formation of co-operative societies or other mutual aid organizations of citizens on the basis of the streets or the blocks is a sound idea, why is it not even sounder to have all the citizens on all the blocks and on all the streets within the city, within the city limits, organized to do that, very thing? Why organize on a block basis?

That may be alright for conducting a political campaign, to have your block leaders and your block officers and your block reporting outposts, who keep their eyes on the voters and tell you who are the Liberals and who are the indifferent ones and who are the Tories. But, Sir, when it comes to the physical job of removing snow, organizing the citizens on the basis of blocks or streets over even small sections of the city is not easy. The most efficient way of doing it and the far better way to do it is on a grand scale, to organize all the citizens, home owners of the city. Of course, when you arrive at that point you have arrived at the point where they are already organized into a city co-operative. There is always a co-operative organization in existence. You do not need to duplicate it. Let the presently existing co-operative, which is the St. John's City Council, acting in behalf of all the citizens, strictly a non-profitable body, never hoping to declare a dividend but just there to serve its members who are the citizens and home owners and other real estate owners of the city — let them perform this task.

If however, to do so they have to collect larger share capital from the citizens, the shareholders, the members of the society,

and the members complain, then the co-operative (that is to say the 'city') says to its members — "well we have not enough money, you are not prepared to put up additional capital, how about waiting and letting God do it eventually — He will send the sun and it will be just melted away."

Mr. Hollett: Not this year.

Premier Smallwood: Maybe not this year but next year, sometime it will go. Now everybody here who occupies a house (personally it will not effect me shortly as I propose to remove myself and my family from the city of St. John's and to live out in the outports the rest of my days, Please God!) I will come into the city to my office, back and forth each day, but will live out in the outports. I hope within a fortnight my house will be sufficiently completed, at least bedroom and kitchen, so that I can live there. My office, of course, belongs to the government of Newfoundland and the City Council has not been given the right by this house to tax the government of Newfoundland. So that it won't effect me personally, but if all the members of the house want to tax themselves or give the City the right to do it, or dump the problem of dumping the snow right in the lap of the home owners, I go along with it. I don't obstruct the city council. I want to serve notice, as an outport man, born, shortly to be living in an outport, I have no axe to grind — I may be the only one in this house occupying a seat — The Solicitor General too and the member for Labrador South also live outside the city, and the member for Harbour Main — We can take a 'jackeas' position — I think I see the hon. and gallant member for Bell Island looking at me and trying to figure if he is inside or outside the City boundaries.

Mr. J. P. O'Driscoll (Bell Island): Well inside.

Premier Smallwood: Well inside — That is why he looks so sad.

Mr. G. Nightingale (St. John's North): Mr. Speaker, I think this particular Clause (8) is the most contentious piece of legislation ever put to any house. It is unworkable as an Act and is another Act on the books which will not be enforced. Water Street, Duck-

worth Street and Job Street are presently in that particular section of this Act — the amendment reads: "every citizen within the city". Now Duckworth Street and Water Street are the business section. There are supposed to be a few houses on them, but some of the biggest stores already have their sidewalks heated from furnaces and control it that way. But the citizens from St. John's North can't afford to pay Imperial Oil to heat the sidewalks for everybody to walk on — Mind you the sidewalks there are not his. He pays to get a concrete sidewalk but never owns it. He only owns to his boundary line. And Sir, I think in this modern age the city can very easily afford a couple of sidewalk plows to plow or blow the snow — where there are sidewalks. Where there are no sidewalks we have to put up with it.

I might say this much too — You will find it is just another vexatious year. Our people in City Hall became panic stricken. It was the worst winter and spring for 20 years. The snow removal cost a lot, but we had a tax Act passed two years ago, a poll tax. Why was not that put into force? There are lots of young people using the sidewalks which we have to pay to plow, and who are delighted to go along not paying a cent to the city. But there are other sections under which we could raise money and a lot of money, mind you. It is only \$12 a year, and any young fellow working at a reasonable rate, and he is not taxable until he enters that rate, can afford to pay that \$12 a year, Sir. With that amount collected in poll tax it would be easy to purchase machinery to do from one end to another.

Can you imagine a fellow picking away with a shovel and pick, then the city throws the snow back on the sidewalk, and the "battle of the bulge" goes on — A fellow of 65 who has to save his money goes to work and shovels the sidewalk and then gets a heart attack. Then we have the prevailing winds blowing the snow to one side of the street, and the fellow on the opposite side laughing. I do not see why this clause is in this Bill. I agree with everything else, but I mean to vote against this.

Hon. M. P. Murray (Solicitor General): Mr. Chairman, like the hon. the Premier I have no personal axe to grind in this matter. I think we should remember that the hon. member for St. John's East (Mr. Higgins)

who also happens to be the Deputy Mayor, did say on second reading that this measure is only supposed to be used as an emergency measure. And, Sir, as members of the Council are practical politicians looking to re-election I imagine, if the measure did pass, it would be used with restraint. However, I do think the power conferred on the Council under this section is too sweeping altogether. I do not, however think we ought to eliminate the clause altogether. A suggestion I would make is this — Owners on Water Street and occupiers are compelled to clear the snow and on Job Street and along New Gower Street — Now there are other sections of St. John's which are fairly heavily industrialized, and if this Bill were confined to industrial concerns it would be more or less acceptable along these lines. My suggestion would be to say "and any other street in the City which has been designated as a commercial zone". I think that would relieve the ordinary citizen and prevent the objections to the amendment. An Amendment along these lines I would support.

Mr. Hollett: Did I understand the hon. member for St. John's North moved that this section (8) be deleted from the Bill?

Mr. Nightingale: Yes, Sir.

Mr. Hollett: Well I am very happy to second that motion.

Premier Smallwood: A seconder is not needed in Committee of the Whole.

Mr. Hollett: Well, I take this opportunity to support it, in particular in view of the fact I was shoveling snow all the winter myself. One thing I will agree, the City Council did an excellent job last winter with regard to snow clearing. It was one of their trying years, and of course it ate up the taxes they had collected. But, Sir, they did an excellent job, and I give credit where credit belongs, to the city workers who performed a magnificent job last winter. But, Sir, as the hon. the Premier suggested, they are elected by the people to do these things and are given the money to do these things, and it is not right and proper that every individual in the town should have to clean the sidewalk in front of his house or dwelling or store,

shovel the snow out into the street and have it bulldozed back again on the sidewalk. I had to do that last winter a couple of times one day, and it cost \$8 altogether, clearing snow which was put back there twice.

Premier Smallwood: The hon. gentleman knows the famous speech the late Charles Hunt made on that point, about how when he had spent half a day shoveling out his pathway the city council plowed it back in again, and he started over again like the spider and King Bruce. He just kept on and proved his good citizenship and never said a word against the council.

Mr. Hollett: Sir, I don't think it is right and proper, and the more I read it the worse it looks. I am quite sure everybody on this side of the house today will agree with me that it is not something which should be there. I have, Sir, great pleasure in supporting the suggestion of the hon. member for St. John's North that the section he deleted completely. Let them send in something else more acceptable to the people of St. John's.

Mr. Chairman: Actually there was no motion. The hon. member for St. John's North simply stated he would vote against the section.

Mr. Hollett: Mr. Chairman, I make the motion that Section (8) be deleted.

Mr. Nightingale: Mr. Chairman, if you like I will second the motion. Motion, that Section (8) be deleted and the remaining parts of the Bill be re-numbered accordingly, carried.

On motion, clauses (9) through (17) carried. Motion, that the Committee report having passed this Bill with some amendments, carried.

M.U.N.

Committee of the Whole on Bill, "An Act To Provide For the Construction of Additional Buildings and Improvements for the Use of the Memorial University of Newfoundland."

Hon. L. R. Curtis (Attorney General): Ac-

tually the wording of this Bill was agreed upon between the financial interests in the United States and Hanson & Hanson. They have asked us to pass it. We have examined it and see no objection to the wording. Actually, when the Bill passes this afternoon, I am going to ask a "stay" because they sent us a message on Friday saying there are certain amendments they would like to have made. On motion, clauses (1) through (10) carried. On motion, Committee ordered to report progress and ask leave to sit again on this Bill.

CAR INSURANCE:

Committee of the Whole on Bill, "An Act Further To Amend the Automobile Insurance Act."

On motion clauses (1) through (3) carried.

Hon. M.P. Murray (Minister of Provincial Affairs): Mr. Chairman, I wonder if we could have clause (4) stand over?

Motion, that clause (4) stand, carried.

On motion, clauses (5) through (7) carried.

Motion, that the Committee report progress on this Bill and ask leave to sit again, carried.

Mr. Curtis: Mr. Chairman, indeed I think we ought to report progress on Nos. 10, 11 and 12 on all of them. I move that they all be reported as progress. Motion carried:

Committee of the Whole on Bill, "An Act Further To Amend the Companies Act."

Motion, that the Committee report having passed this Bill without amendment, carried.

Committee of the Whole on Bill, "An Act Further To Amend the Education Act."

Motion, that the Committee report having passed this Bill without amendment, carried.

On motion Committee recessed for 10 minutes after which Mr. Chairman returned to the Chair.

Committee of the Whole on Bill, "An Act To Amend The Vocational Education Act."

On motion, clauses (1) and (2) carried.

Mr. Claude Sheppard (Harbour Grace): Mr. Chairman, there is one aspect of this clause (3) and that is the right of the members to attend by proxy. It is a new principle. It could be that putting people in there by proxy could be undesirable.

Premier Smallwood: I think we should strike out (b).

Mr. Curtis: Strike out the word "and" and all of subsection (b).

On motion, clause (3) as amended carried.

On motion, clauses (4) through (6) carried.

Motion, that the Committee report having passed this Bill with some amendment carried.

Mr. Curtis: Mr. Chairman, I move the Committee report progress on all these Bills, and ask leave to sit again. Motion carried.

Mr. Speaker resumed the Chair.

Mr. Clarke (Committee Chairman): Mr. Speaker, the Committee of the Whole have considered the matters to them referred and directed me to report progress and ask leave to sit again. On motion report received, Committee ordered to sit again on tomorrow.

MEMBERS' PENSIONS:

Hon. M. P. Murray (Solicitor General): Mr. Speaker, by leave of the house, I ask leave to give a notice of motion. Leave given.

Mr. Murray: Mr. Speaker, I ask leave to move the house into a Committee of the Whole respecting certain resolutions regarding "A pension plan for members of the House of Assembly with Long Service."

Mr. Curtis: I move the house into Committee of the Whole, Mr. Speaker, on items on the Order Paper No. 16 (Bill No. 65):

On motion, Mr. Speaker left the Chair.

Mr. Clarke (Chairman of Committee of the Whole).

SCHOOL ATTENDANCE ACT:

Committee of the Whole on Bill, "An Act Further to Amend the School Attendance Act."

Premier J. R. Smallwood: This has been handed to the Cabinet by the Council of Education who represent all the massive educational interests of the Province, including the government, and we look at such submissions in Cabinet only to see whether we are involved for any heavy expenditure. If we are not, we accept their submissions almost without question.

Mr. J. D. Higgins (St. John's East): Look at subsection (2) of the Original Clause (16) — "Before granting such approval the parent or any other person having care of such child should have a reasonable opportunity to make recommendations in writing respecting such child and make such further enquiry as he may consider necessary". Now you are taking away some rights of the parent — The child is suspended and the parent apparently has no right to ask why.

Premier Smallwood: My only reply is that it is exactly as drafted by the Council of Education, and as it was approved by the Council, and I would like to have this clause stand while I ask the Council of Education to explain it. I would be quite happy to do so.

Mr. Higgins: I beg your pardon, Mr. Chairman, if you turn over the page you will find the answer there. I was thinking, otherwise, of the case where a parent could take action against the school board. Motion, that the Committee report having passed this Bill without amendment, carried.

Mr. Speaker resumed the Chair.

Mr. Clarke: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report having passed Bill No. 65 without amendment.

On motion report received, Bill ordered read a third time on tomorrow.

C.M.I.C. BILL:

Second Reading of a Bill, "An Act To Au-

thorize the Government of Newfoundland To Enter Into An Agreement With McNamara Construction of Newfoundland Limited and Canadian Machinery and Industry Construction Limited."

G.R. Renouf (St. John's South): Mr. Speaker, I was unavoidably absent at the time the other Bill relating to the Cement Plant was presented. I would like to make a few comments in general on this Bill. It is in a general way much along the same lines as the other one, except that I understand that the people connected with the Cement Plant are not associated with this one. But, Sir, there are certain principles involved in this which to my mind are not of very sound thinking. In paragraph 6 (1), page 11, the managing company shall have the right to terminate this agreement at any time, whether before or after the expiration of 10 years. In that event I think it is very wide scope.

Premier Smallwood: Or on three months written notice.

Mr. Renouf: Yes! There is no reason to be given in the event. There should, to my mind, be some reason other than the mere right to give up. I would normally think that for financial reasons, if the proposition is not working out, the company might reasonably be given the right to withdraw. But, Sir, there is this aspect as well — If a company is operating under conditions like that, they might possibly threaten to give up, which would cause an alarm in the government-owned company and strengthen their hand to make further demand or certain claims to work out additional concessions. Now that might be a far-fetched interpretation of anything of that sort, but the mere fact of giving an outright right to them to withdraw after a short period without giving a reason strikes me as being unreasonable.

There are other paragraphs here on page 13 — "any and all payments to be made to the government hereunder shall be made to the minister of Economic Development at the Department of Economic Development in the city of St. John's." I was not quite clear on that point —

Mr. Speaker: I don't want to be too hard on

the hon. member who is speaking, nor narrow down the debate to a fine point, but I think I might say at this time, for the guidance of all hon. members, that at second reading only the principle of the Bill should be discussed, and there should be no reference to a clause whatsoever, no clause nor part of a clause should be read. Clauses are dealt with individually in Committee, and changes at that time can be made to any clause, but the principle of the Bill, of course, cannot be discussed in Committee stage.

Mr. Hollett: Excuse me! On that point, Mr. Speaker, I take it any clause containing the exact principle of the Bill can be read and referred to, can it not?

Mr. Speaker: It is very difficult to say the clause which refers to it. The wording of the particular ruling is that a clause should not be read and referred to except in Committee stage. The hon. member will continue. I did not call him to order but just spoke at this point for the guidance of the house in the future.

Mr. Renouf: I appreciate that, Mr. Speaker. As far as possible I shall endeavour to talk about it in the broad sense without refreshing the memory on any particular clauses. There is an underlying principle to this Bill which gives to this company wide powers and some of which relate to the expropriation of land which might be required by this particular company.

Premier J. R. Smallwood: That is to be stricken out. I am to move in Committee of the Whole that that clause be stricken out.

Mr. G. R. Renouf: That is a point I shall leave untouched then. Would that be the total clause in question, Mr. Speaker?

Premier Smallwood: If the hon. gentleman would allow me — The whole right — That Bill as it is presently worded gives to this company the right to expropriate land as though they were the government. That is to be stricken out now and the government may do it and not the company. That is to be changed in Committee.

Mr. Renouf: Thank you, Mr. Premier. That

knocks out a great deal of the complaint that I was about to make on this Bill, because it was one of the aspects I felt was rather too drastic. I am very glad to hear that these aspects are to be eliminated. In general, Mr. Speaker, this Bill gives this company the right to enter into an operation of this plant. The terms are very easy for the company concerned, and I have some doubts whether the best bargaining power was brought into play in not improving the deal under which the government entered into this. Of course it may be that a plant of that size would require very substantial people to cope with it, but all in all I do not feel that the propositions, that there was as much made off the deal as possibly could have been made. I have some more comments to make, which I shall make at a later stage. As the Premier has said that one particular clause relating to expropriation is to be eliminated, this also eliminates a great deal of the comment which I had to make.

Mr. A. M. Duffy (St. John's Centre): Mr. Speaker, this Bill is very similar to the one the other day for North Star Cement, and there is little to say against the principle, in my opinion, because it is really making the best of a bad job. So far, from the day that the Premier spoke about setting up this plant (I happened to be perusing Hansard here where he said this plant when completed in two years would have 5000 men working in it. I now choose my words very carefully) I can safely say it will be one of the largest in Canada, and so on. It is regrettable that some of these optimistic hopes did not materialize. I think that at the time we felt it was rather optimistic. At any rate, Mr. Speaker, in the unfortunate situation which came about in respect of the plant, I feel the best was made of a bad job. There are one or two clauses I would like to refer to in Committee of the Whole, I would simply say that I do agree, under the circumstances, that the principle of this Bill is sound.

Premier Smallwood: Mr. Speaker, if there is no one else — The statement I made is true. There is a clause in it, a principle established in it which is unnecessary and which I will move in committee of the whole to strike out. That is the whole of clause (14), all of it. It has three separate sections. That clause was copied almost verbatim from half

a dozen or a dozen other Acts that are on the Statute Books of Newfoundland, and in cases where it was necessary. BRINCO has it and the Iron Ore Company of Canada has it. The Wabush Iron Company has it and Boylen has it and other concerns. But these other concerns deal in minerals or water power or timber, where it becomes quite necessary by their very nature and by the nature of their purpose in Newfoundland to have the right to go over land and expropriate.

But, Sir, there is no need for McNamara Construction Company, in its operation of this plant, to have the right to expropriate land, even as it says here, "with the consent of the government". Even with the government's consent, they ought not to have that right. After the Bill was printed we discovered in Cabinet that it was there. It had been copied into the Bill from other pieces of legislation. We said there is no need for that. But we left it in the Cement Company Bill. That is a different situation. The raw material of the cement company is limestone and shale, and they should have the right to go and get it, because the whole plant, the buildings and the materials in it and the machinery, everything, depend entirely upon their having ample supplies of limestone and shale. They, therefore, should have the right to find what they need. Otherwise, the \$5,000,000 investment disappears for lack of raw material. So with the very existence of the company depending, as it does, upon a plentiful supply of these raw materials, they should have the right, and indeed we have given them the right, to go out and find and expropriate, with the government's consent however, and providing it goes through the necessary arbitration and payments and the like. But, Sir, that is not a right that this machinery plant needs to have and therefore it is a right which they ought not to have. In Committee of the Whole I will move on behalf of the government to strike out that clause.

The other thing I have to say in reply to the hon. member for St. John's Centre is that he is perfectly correct — when I had the honour to introduce the legislation that created that company, that enterprise, I was fully under the belief that it was to become a very large enterprise. It may be said now, perhaps for the first time in this house, that

the principal of that concern was a man who was the principal owner and almost the whole owner of M.I.A.G. Now, M.I.A.G. is one of Germany's large industries, enterprises. He had made up his mind that he was going to move everything he owned in Germany out of Germany to Newfoundland. In building this plant at the Octagon, he described it at the time as a little M.I.A.G., which was going to become a big M.I.A.G. Now I have not any doubt at all, to this moment, now that the man is dead, I have not any doubt as to his sincerity at that time. I believe he meant it. I believe he was absolutely sincere. He intended as rapidly as he could to pull out of Germany and bring his entire enterprise with him. How he was going to do that I do not know, and I preferred not to know how he was to do it, because M.I.A.G. is a very, very great concern. Now, he did go so far as to remove himself and his family from Germany to live in Canada. He gave up domicile in Germany and bought a house in Montreal and maintained a home in the south of Switzerland, which borders on Italy, in the warm part of Switzerland. He had a beautiful home there. He maintained these two homes, living for 90% of the time in Canada. His children have become Canadians, and his widow is now living in Canada.

Mr. J. D. Higgins (St. John's): Have they acquired Canadian Citizenship?

Premier Smallwood: I believe they have, yes.

Hon. M. M. Hollett (Leader of the Opposition): Are you referring to C.M.I.C. or the Holding Trust?

Premier Smallwood: I think he owned the Holding Trust outright. I believe his lawyer in Switzerland held a qualifying share, but he was the sole owner of the Holding Trust. That Trust was formed when no German national was permitted by his government to own property in the new world. That restriction was subsequently removed and Switzerland became the domicile of this Holding Trust, and he was the sole owner of the Holding Trust. The Holding Trust was the whole owner of C.M.I.C. and North Star Cement Company. What happened to pre-

vent his moving M.I.A.G., apart from the possibility or even the probability that the German government stepped in, I do not know. Possibly the arrest of Dr. Valdmanis and the scandal that resulted and the fact that M.I.A.G. were implicated in that. They were one of the people who had been blackmailed by Valdmanis into paying considerable sums of money to him. These facts undoubtedly became known to the German government and may have killed or probably did kill any chance that he had, and he was left in the lurch.

Mr. Duffy: What about Mr. Howe's promise?

Premier Smallwood: That too played a considerable part. I am very bitter about that to this moment. I make no bones about it. I don't care who knows what happened. I am very bitter about the fact that C.D. Howe let the Newfoundland government down shamefully in that matter. He declared, in the hearing of hundreds of people, when he opened that plant for us (and it was broadcast at the time) he declared that it was a big plant and he had seen every plant in Canada, and he was a high-class engineer who was well qualified to say it and did say that it was a magnificent plant. He expressed the belief (and he was the Minister of Defence Production — and also Minister of Trade and Commerce) that the Octagon Plant would get its share of orders. Canada was re-arming at a tremendous pace, spending thousands of millions of dollars, and plants all across Canada got all kinds of war defence orders, defence production orders, but not this plant in Newfoundland. The only plant to ever get any defence orders in Newfoundland was Koch Shoes. They were given orders for a good many thousand of pairs of footwear. And this plant at the Octagon was just as well able to accept and carry out faithfully and successfully any defence orders as was Koch Shoes, if they had been given the defence orders. I blame Mr. Howe for that. I make no bones about it and never have made any bones about it. The thing, of course, that really left the plant without a cent was the death of Mr. J.C. Lerch. He was a very great man — Make no mistake about that. He was a great man, one of the great industrialists of Germany. He really was that. Before he ac-

quired M.I.A.G. he had been a great industrialist in Germany. He was one of the few really big industrialists in Germany who opposed Hitler. Perhaps that is why his firm was given no orders in the war for manufacturing airplanes, not one single order. He made "Tiger" tanks but was never trusted sufficiently to be permitted to make aircraft. He was a great industrialist. If it had come about that he could have transferred his major activity from Germany to Newfoundland, he would have had what I thought we were going to have and what I said we would have, a very large industrial plant. They brought the blueprint of the factory here, and it was very impressive. However, it is a fine building and a fine plant and we now have a Canadian Company operating it, and already the pace has stepped up very, very markedly. It is a pleasure to go in there today. It is a pleasure to drive past it and see the number of cars parked owned by the employees in that plant. It is a pleasure to see it. I believe that, while he will not see the great plant that we envisaged when we brought in this legislation five or six years ago or whenever it was, we will see a greatly speeded-up activity in that plant. I believe that it will be quite successful. But, there is one thing we must not forget (and there is no suggestion it could just close down tomorrow morning) but if it were to close down tomorrow morning, that plant, together with the cement mill has turned over \$18 millions here in Newfoundland to this moment, \$18,000,000 — that is a lot of money, a lot of money, in a few years. Now, they will go on and go on distributing money — and we will never, I think, be called upon to pay any public money into those two companies. What we have paid we have paid, and now they will go on distributing money within Newfoundland. And I think we will be very glad when the whole story is told, 10 years from now, when perhaps as much as 30 odd millions will have been distributed in wages and local purchases and trucking and the like, all that distribution of local money to pour into our economy. Every man and woman employed, if even as charwomen and truckdrivers, every man and woman employed strengthens our economy, and these two plants have distributed a great many millions of dollars — and we need never have any regrets that we built these two

plants. But my hon. friend is right — any-time he or anybody else wants to have a bit of fun by just quoting my speech, the speech I made when introducing that Bill in the first instance, at a time when I firmly believed it was to be much bigger than it has in fact turned out to be, he is welcome.

Mr. A. M. Duffy (St. John's Centre): I wonder if I could ask a question? I did hear there was an alternative proposition put forward from another local source, I think involving the present management or something. I am not sure there was anything in it. Were there any alternative propositions?

Premier Smallwood: Nothing that you could take seriously for a moment, no! Remember we had \$2.5 million public money in it. We had two considerations to keep in mind. One was the protection of that \$2.5 million of the Newfoundland people's money and the second and much more important — much more important — the continued operation of the plant in a good condition, so that 10 years from now and 20 years from now, it must still be a good and even an up-to-date plant, giving employment. These are two considerations. We could not sacrifice continued operation. What we have done, we think, in this proposition is to insure both. We have good operators and it is a fair financial deal. We get half the profits. We think it will be well kept-up and efficiently operated. I think McNamara has too good a name to forfeit from one end of Canada to another — He has a good name and I don't think he is going to forfeit it in this plant.

Mr. J. D. Higgins (St. John's East): How does he stand with labour?

Premier Smallwood: I don't know. I have no idea. I suppose he has a good standing, like most companies in Newfoundland. Mind you, get some gangsters around and they may not have a good name, but for ordinary, decent, straight-forward labour, ordinary decent, straight-forward trade unions, I say they have as good a name as any other firm.

Mr. Higgins: I imagine they can run afoul

of the Teamsters. They is why I asked the question.

Premier Smallwood: Not in this company. McNamara Construction Company, as such, does road work of all kinds, yes, but this company in here are managing C.M.I.C.

Mr. Higgins: Does some road word?

Premier Smallwood: Of course they have been doing road building in Newfoundland for 12 years, but they are only in there as managers of C.M.I.C., with an option one day to buy.

Hon. M. M. Hollett (Leader of the Opposition): May I interrupt the hon. the Premier to ask whether it is the intention to answer Question No. 38? If so, I would like to have the answer before going into Committee of the Whole.

Premier Smallwood: I don't know to what extent it would be right for the Leader of the Opposition to ask for that information, or for the government to give it. I know in the House of Commons the other day there was a statement of principle by the government. Now this statement of principle by the Canadian Government was only a repetition by them of a statement of principle made by their predecessors in office. The statement of principle made by both governments is that, where the government is involved in any kind of commercial enterprise which is competitive, as distinct from a monopoly, as distinct from a thing which is entirely non-competitive, they shall not and will not table in the house nor release to the public the details of that business, because it would be unfair to the business, because they are a competitive concern, competing with other concerns.

Mr. Hollett: In Newfoundland?

Premier Smallwood: Of course they are! The cement company is competing with Canada cement and European cement and English cement.

Mr. Hollett: They are not registered in Newfoundland.

Premier Smallwood: They are competitive. The cement produced in the cement mill in Corner Brook has to compete, and the price they charge must be competitive or the people won't buy it. Now similarly with the machine plant. They get the orders only if they are competitive. No one in the world is obliged to give any order to that plant at the Octagon, and no one in the world will give them any orders unless —

Mr. Hollett: Except the government.

Premier Smallwood: The government will give orders to Newfoundland firms for the supply of goods or services provided their prices are not more than 15% higher than the prices of mainland or foreign firms. That is right, I think. I am prepared to stand or fall on that. But the principle laid down by the Canadian Government, in the House of Commons the other day (I marked it in Hansard) is that the Canadian Government will not answer any questions in the House of Commons...

Mr. Hollett: There is certainly nothing wrong with sub-clause (2) and (3) of the question.

Mr. Smallwood: Just let me make that clear — the Government of Canada announced in the House of Commons the other day, and in so doing merely repeated what its predecessors in office had announced earlier; that they would not answer any questions in the House of Commons giving information about Crown Companies nor Companies in which the Government of Canada was a heavy investor if these companies were competitive, i.e., if they were doing competitive business, competing with other companies.

Mr. Higgins: That principle was not adhered to in the CBC. They refused to divulge certain information but later did.

Premier Smallwood: No! What they refused to divulge was what their customers paid them.

Mr. Higgins: In other words how much they subsidized players for "Juliette." etc.

Premier Smallwood: That principle was

laid down. I think it is a sound principle. It may be right or it may be wrong for a government to own a company that is a commercial concern and competitive. That may be right or it may be wrong. But once a government does own such a company, it is wrong for that government to divulge that private affairs of that company, its internal secrets, the secrets of its costs and expenses and so on; when by doing so their competitors are enabled to study their affairs when they in turn do not have the opportunity to study the affairs of their rivals.

Mr. Duffy: Must these public companies submit balance sheets?

Premier Smallwood: Balance sheets are one thing, but all the internal affairs of a company are something else.

Mr. Speaker: Order! I am beginning to have some doubts as to whether this debate is now in order.

Mr. Hollett: So am I, Mr. Speaker.

Mr. Speaker: I don't think it is. I think we should confine the debate to the principle of this particular Bill. Will the Premier please continue.

Premier Smallwood: Yes, Sir. In answer to the Leader of the Opposition, I will take a more careful look and see if, within the principle just enunciated, I can table such information. Believe me, I am anxious to give him all the information it is proper for me to give.

Mr. Speaker, I move second reading of this Bill.

On motion Bill read a second time, ordered referred to a Committee of the Whole House on tomorrow.

Second Reading of a Bill, "An Act Further To Amend The Summary Jurisdiction Act."

Hon. L.R. Curtis (Attorney General): Mr. Speaker, I beg to move second reading of this Bill. I would be glad to have the comment of the house particularly the members of the legal fraternity while we are in Committee. The idea is to first enable debts to be proved in the Magistrate's Court by af-

fidavit. At the moment, that is not allowed. Debts can only be proven in Magistrate's Court, as you know, by calling a witness. This Bill will amongst other things allow debts and other claims to be proven by affidavit, and sets forth the conditions under which that can be done. It then introduces a new system in Magistrate's Court whereby judgement by default may be re-opened. At the moment, a judgement by default in the Magistrate's Court must be appealed to the Supreme Court. This Bill, if it becomes law, provides that certain default judgements can be re-opened. Then this Bill deals with the recovery of debts by assignees:

Now, it has often been charged that the courts are being used simply to collect debts for people. In a large measure that is true. Recently the situation in St. John's in particular, and in Newfoundland, has been changed because, not only have the courts been used to collect debts but the names of the creditors have even become hidden. In other words, a collection agency gets the creditor to sign a document assigning the debt and then this agency sues in its own name. Now, there is nothing absolutely illegal in that, but the object of this Bill is to provide that in such cases the assignment must be bona fide. If John Jones is going to advertise to people in Newfoundland that he is giving credit on outrageous terms, if he then is to sue if he does not collect his money, at least he must have the honesty to sue in his own name and not hide behind some collection agency which will sue as the assignee, as an assignee that is not an honest assignee but only as an assignee for the purpose of taking that action.

The Judicature Act, as hon. members who are members of the Bar know, provides certain terms and conditions for assignment. One of these is that the assignment has to be absolute and not by way of claim only, but it did not go so far as to say it had to be bona fide. Now, in this case, we suggest such claims should be bona fide assignments and that the assignee should be the actual owner of the debt when he sues and not just an agent. In other words, he should not be able to say to my hon. friend, the member for St. John's East, "John Jones is owed this money. He assigned this debt to me." So then he goes ahead and sues in his own name for the money. There is a credit bureau there. It becomes the plaintiff in all kinds of actions

whether they are the actual owners of the debt or not. It is true they are the assignees, but I doubt very much that they are bona fide assignees. I think they are the assignees only for the purpose of the action. Therefore, Sir, this Bill provides that in future, if they are going to sue as assignees they must be bona fide assignees. They must actually buy the debt and it must be their debt and not just to be passed back the day after, if they do not collect, and say — "here, take this debt back, I cannot collect it."

Mr. Hollett: Will the affidavit take care of that?

Mr. Curtis: No, the affidavit won't take care of it but the proof required will. Now, in future if John Jones wants to sue Bill Smith and he wants to assign it to somebody else, the assignee must say on it, as the plaintiff, he must put the name of the original creditor as the plaintiff so that there will be no hole and corner business about it. And the debt has to be proven in the manner stated. In other words, the original creditor has to prove the debt up to the date he transferred it, and then the assignee has to prove the debt as from the date he bought it. In other words, we want to protect the debtors and see, particularly when judgement is entered against them by default, that they are being protected.

Then, the Bill deals with the service of summonses. The service of summonses in St. John's has become a chore. This Bill will allow summonses to be served by registered mail with the pre-paid receipt card as acknowledgement of receipt. In other words, under the Canadian Post Office Act, you can send registered mail and by paying an extra 10 cents send with that a card which the recipient must sign when he gets the letter. Well, we feel that the signature of acknowledgement of the receipt card by a person to whom a letter is addressed should be looked upon as a service, and save a lot of money all around. At the moment summonses, particularly outside St. John's, are served by the RCMP and it costs, as my legal friend tells me, enormously because they either serve them on their regular routes or even make a special trip when they have to charge mileage and meals. Now the summonses will be served by registered mail with an acknowledge receipt card. In look-

ing after traffic summonses you would be surprised, Mr. Speaker, since the beginning of this year some 18,000 traffic tickets were issued, and it is still only June. About 7000 of those people failed to turn up so that 7000 summonses have had to be issued and served. That is over 1000 a month. That is a lot of work for the police force. The fact is, as of today, they are 600 summons behind. They cannot keep up.

Mr. Higgins: Wait until this week — They will really get bogged down.

Mr. Curtis: You see, Mr. Speaker, the object of the Bill is to enable the courts to be speeded up and when a person gets a ticket he should get a summons before he forgets what he did — it must be disconcerting to get a summons a couple of months after getting a parking ticket which you had forgotten all about.

Mr. Higgins: There was a time the summons had to be issued within a month.

Mr. Curtis: There was some such rule, but they have been changing that Act, Mr. Speaker.

Mr. Higgins: And making more work for the poor policemen.

Mr. Curtis: Now, another scheme is contemplated in this Bill, i.e. a scheme whereby the police, instead of giving a traffic ticket, which will be just a polite notification to go up and pay a fine, would issue a summons there and then. Then, when you get out of your car and park where you should not there would be a summons to appear on such and such a date at such and such a time. Then there would be no need of any further summons, the summons would be on the car; then rules and regulations will be made permitting the police in certain cases to open the door of a car and put the ticket inside, to keep the wind from blowing it away and the rain from washing it away. There are other provisions which will provide for the summons to be fastened to the window of a car by some sticky substance, a piece of tape or something, so that it won't blow away. It is in the interest of everyone, Mr. Speaker. It will mean that if you get a ticket you can be sure that it reaches you,

and on the other hand will avoid the terrific expense it means to serve 7000 summonses in St. John's.

Mr. Higgins: I bet you the traffic courts are operating at a profit.

Mr. Curtis: I wish I could get the profits myself, Mr. Speaker. However these are the main points. I will be glad to answer any questions when we come to the Committee Stage of the Bill. I think the general principles which I have outlined in relation to the Bill are acceptable to the house, and I move second reading.

Mr. A. Mifflin (Trinity North): Mr. Speaker, there is one thing I would like to say — The Attorney General says there is procedure in this Bill — I can't see — You have a trial within a trial to see if it is bona fide for consideration. I venture to say there is no jurisdiction elsewhere with that provision, and it seems to me that the part of the Act dealing with assignment has the effect only of driving it out of the Magistrate's Court and sending it to the Central District. That is bound by the Judicature Act and the procedure in the Judicature Act is not changed.

Mr. Higgins: I am very much in accord with the hon. gentleman who just sat down. The Attorney General introduced this Bill, and it is most reasonable the way he tells it. Now, I hold no brief for the Credit Bureau — but there are lots of people, Mr. Speaker, who can afford to go to the Magistrate's Court under this present set up, but if we are going to make the procedure, as my hon. friend from Trinity North pointed out, so cumbersome they have only one alternative. As my hon. friend says, they are left with the alternative of proceeding to the District Court. Now, this simply means a lot of smaller debtors are simply going to throw up their hands and say it is not worth it. So that, instead of facilitating justice for a lot of people concerned, a great number, they are going to be denied it. I do not know if the section is acceptable or not but I do feel we have in the house a sufficient number of practicing solicitors to give this matter thorough consideration — I am not for a moment suggesting that the law officers of the Crown have not done so. I do feel

though, Sir, that those of us in active practise, who have seen it from that side of the fence might well be able to make some suggestions to the house on this matter. I do not know if the Attorney General would entertain the suggestion that this Bill might be referred to a Committee of (shall we say) legal members of the house. I do know that the Law Society has had this under consideration — The Law Society, to some extent, has been derelict. They should have a Standing Committee on this type of legislation and make recommendations. I was wondering if the house would consider referring this to a committee of lawyers, with the recommendation they come back within a stated time with any recommendations for either amplification or amelioration of the provisions of this Act. It seems to me, without any reflections on the Department of the Attorney General, certain aspects of the Bill may not have received the attention perhaps it deserved.

Mr. Curtis: I may say I am absolutely in accord with my hon. friend the member for St. John's East. In fact, I tried to imply it in my introduction of the Bill. This is not a hard and fast Bill. We are not married to it. I would be very happy, Mr. Speaker, if tomorrow, when the Bill goes to Committee, if we pass the Bill now, that it be referred to a select committee consisting of all members of the legal profession in the house and perhaps the ex-magistrates, because they have all had some experience in this type of thing. So that, if the legal members of the house and the ex-magistrates would take it up, there would be a whole week in which to do it. The house will be adjourning on Wednesday, awaiting the budget — That will be at least a week — during that week perhaps those in the house, the legal members of the house, could arrange to get together and give this Bill consideration.

Mr. Higgins: How long has a man got to be out of the magistracy before we let him in? Some of these old magistrates are pretty rusty now.

Mr. Curtis: I think we will let them decide that, Mr. Speaker.
On motion Bill read a second time, ordered referred to a Committee of the Whole House on tomorrow.

Premier Smallwood: Mr. Speaker, I move that the remaining orders of the day do stand deferred and that the house at its rising do adjourn until tomorrow at three o'clock. As the Attorney General has said, our plan is to adjourn the house on Wednesday because of the fact that the Royal Visit comes on Thursday and goes on into Friday. Then, instead of meeting on Monday, our thought was to meet on Wednesday, until the Minister of Mines and Resources reminds me that Wednesday of next week is St. John's Day, the twenty-fourth. We might in that case adjourn until Thursday, and then meet, as the Honourable Minister of Finance informs me, for the purpose of bringing down his budget. I assume he will be giving notice before the house recesses on Wednesday of this week, of his intention to bring down the budget when the house next meets. Then when the budget is down and under debate any other pieces of legislation, such as this one that was under debate a moment ago, that the house desired to consider further they can consider, but the main business when the house resumes would be the bringing down of the budget and the estimates.

Mr. Higgins: And be out of the trenches by Fall.

Premier Smallwood: We hope to be out of the trenches by Christmas, at any rate.
On motion, all remaining Orders of the Day do stand deferred.
On motion the house at its rising adjourned until tomorrow, Tuesday, at three o'clock.

Tuesday, June 16, 1959

Afternoon Session

The house met at three o'clock.

Mr. Speaker in the Chair.

ANSWERS TO QUESTIONS:

Hon. B.J. Abbott (Minister of Supply): Mr. Speaker, I beg leave to table the answer to questions asked by the hon. the Leader of the Opposition, June 12, 1959. (No. 37 see Appendix)

With your permission, Mr. Speaker, I would like to clear up some misunderstanding — Relative to a question in reference to bread, I think the inference gathered from the answer to the question was that white, sliced, cost 12 cents and brown, sliced, 12 cents, etc. I may say that means a pound of bread. The weight of a loaf of bread is a pound-and-a-half, 18 ounces.

Hon. L.R. Curtis (Attorney General): A pound-and-a-half, 18 ounces.

Mr. Abbott: No. A pound-and-a-half is the weight of a loaf of bread, whereas the price here represents one pound, Mr. Speaker, I would like to make that clear.

ORDERS OF THE DAY:

LEGISLATION:

Second Reading of a Bill, "An Act To Amend The Conditional Sales Act."

Hon. M.P. Murray (Minister of Provincial Affairs): Mr. Speaker, this Bill, as amended will affect the Act presently on the books. The first amendment is of no great account but has merely to do with the matter of indexing and introducing a better system and to avoid unnecessary repetition in the matter of indexing. However, Mr. Speaker, the second amendment is one with more substance to it, I think — In a case of a conditional sale, where goods are repossessed under the Act as it now stands, the vendor must dispose of such goods by public auction. If this Bill goes through, the vendor would be permitted not only to sell by public auction but also to sell by private sale. In addition to this, the vendor would also be permitted to bid at a public auction.

I am not, Mr. Speaker, a general practitioner of the law at the moment, and I can see that this Bill, if it went through, could have quite a lot of implications and could in some instances redound against the buyer of the goods. I would appreciate it, as far as this particular clause of the Bill is concerned, if it would be referred to the Committee set up yesterday consisting of the members of the house who are legal practitioners, to consider another matter concerning the amendment to the Summary

Jurisdiction Act. I would prefer it if that particular clause of the Bill would be committed to the same Committee for consideration — That is the second clause, the one which amends Clause 3(1).

The third amendment, Mr. Speaker, has no great matter of substance. There are a great number of searches made with respect to conditional sales and a fee of 25 cents is charged for each search. The amendment here would put a maximum on that, so that any particular firm would pay not more than \$250 a year. That would mean that, for the first 1000 searches, the particular company involved would pay 25 cents (that would be the maximum) and thereafter they would pay no more. I don't think that is a matter of great moment. But, Sir, I do think, in view of the implications arising from the amendment to Clause 3(1) it should be referred to the Committee set up yesterday. I move second reading of the Bill. I further move, Mr. Speaker, that Clause (2) of the Bill be deferred.

Mr. Speaker: On motion Bill read a second time, ordered referred to a Committee of the Whole House presently. Is it the pleasure of the house to have that Committee appointed now?

Mr. Curtis: No, the suggestion is to have the Committee Stage presently and when the order is called then we could refer it to the Committee the minister referred to.
Second Reading of a Bill, "An Act To Amend The Expropriation Act, 1957."

Mr. Curtis: Mr. Speaker, this Bill is necessary by reason of the fact that the Housing Act, which we are passing at this session, will, when it is proclaimed, replace the Slum Clearance Act. Under the Slum Clearance Act, land may be expropriated for the purposes of the Act and the same power is given in the Housing Act. The amendments contained in this Bill are complementary to certain provisions in the Housing Act. The minister and the authority constituted under the Housing Act are made authorities for the purpose of expropriation. There is a clause in the Bill which substitutes reference to the Housing Act for refer to the Slum Clearance Act and provides for expropriation of land for re-location projects. There are no provisions formerly for

these projects, because the idea of relocation is new, in the new Housing Act. Then, there is a clause which enables the land expropriated to be disposed of by the authority or by the minister who expropriates it. That is clause (4). The schedule to the Expropriation Act is amended by adding to it "The Housing Act 1959." This really, Mr. Speaker, is purely tidying up the Act, which is made necessary by reason of the fact that the Slum Clearance Act is being repealed and the new Housing Act replacing it. I would move second reading of this Bill.

On motion, Bill read a second time, ordered (by leave) referred to a Committee of the whole house presently.

Second Reading of a Bill, "An Act To Amend The Fire Loss Returns Act."

Hon. M.P. Murray (Minister of Provincial Affairs): Mr. Speaker, the purpose of this Bill is merely to repeal an Act on the Statute Books which has become obsolete. Under the Act, certain duties were assigned various individuals to make reports in case of loss or damage by fire. Under another Act, these duties are taken over by the fire marshal, which renders this Act unnecessary. So, therefore, the purpose is merely to repeal this Act. On motion Bill read a second time, ordered referred to a Committee of the whole House presently, by leave.

CROWN LANDS ACT:

Second Reading of a Bill, "An Act Further To Amend The Crown Lands Act."

Hon. W.J. Keough (Minister of Mines and Resources): Mr. Speaker, there are three facets to this Bill.

Mr. Speaker: Order! The house is rather noisy.

Mr. Keough: Mr. Speaker, there are three facets to this Bill involving the three minor amendments to the Crown Lands Act. The first amendment has to do with an amendment in respect of the granting of leases. At the present moment, the minister has authority to issue a lease for the purpose of a residence for five years and up to five acres. If, within that time, the applicant builds a

house on the area leased, to the standard required, and clears one acre of land he is entitled to the grant. Now the difficulty in the matter is this — very often these days, we are getting application for leases for residences for areas of less than one acre but we cannot give a man a lease for a residence, say half an acre, because the law requires him to clear an acre. So we are suggesting the elimination of "Clearing and cultivating" as one of the conditions in regard to leasing for residences, and other terms and conditions to be laid down by regulations. The second facet has to do with leases for agriculture. At the present moment, an applicant applies for a lease for agriculture and if it is approved he must, within two years, clear 10% of the area and in five years clear a total of 25% of the area and put this into cultivation. We are suggesting here an amendment to the effect that the condition of a lease for agriculture be that the applicant shall, within two years, clear 10% and cultivate 10% and in five years clear 25% and cultivate 25% of the area that can be and is capable of being developed for agriculture. We are including something new that has not been in the Act at all up to this time. We are providing for a period of 15 years from the date of the lease of the land comprising an agricultural lease or grant, that the same shall not be sub-divided for any purpose other than agriculture without the consent of the Lieutenant Governor-in-Council. The thought behind that is this: Take an instance — tomorrow an applicant can apply for perhaps 10 acres of land in a fairly populous area, which would be good agricultural land and the application could be approved and he would have to cultivate, within five years, two and a half acres. But he can clear and cultivate two and a half acres in a relatively short time — The government, as a matter of fact, would give him a land-clearing bonus, and he could have his two and a half acres cleared and seeded in a matter of months. Then he is entitled to a grant at that stage of the game. He can completely forget about having applied for the land for agriculture and sell it for a sub-division for housing. The amendment is to eliminate that.

The third facet has to do with requirements in respect of surveys. At the present moment an applicant applying for Crown Land must have it surveyed or approved by

the Crown Lands Office and a diagram of the land must be sent to the Department of Mines and Resources, and must be filed within 12 months of the date of approval of the application. Now, over a period of some 20 years, it has been the practice to require the surveyor to conform to certain requirements in making a survey and in filing the return, which he is required to leave with the department. Well, recently we have been questioned as to our authority to make these requirements, and actually we do not have any authority in the law at all. So now we are giving the government power, in this Act, to make regulations so that we will in the future be able to enforce the requirement.

Mr. A.M. Duffy (St. John's Centre): May I ask if the conditions of the Crown Lands Act are observed by people requiring them; if a person acquires a lease under certain conditions, are these conditions observed?

Mr. Keough: There is always a check by the department to see that there is a house of the approved standards, or that the person cultivate the acreage required to be cultivated.

Hon. M.M. Hollett (Leader of the Opposition): I wonder, Mr. Speaker, (while in favour of the principle) I wonder if the minister could tell us what Crown Lands we now possess outside the three-mile limit. I mean unalienated Crown Lands outside the three-mile limit?

Hon. L.R. Curtis (Attorney General): What do you mean, outside the three-mile limit? In addition to the three-mile limit?

Mr. Higgins (St. John's East): Under water.

Mr. Speaker: Order! If the minister speaks now he will close the debate. If no other hon. member wishes to speak the minister has the floor.

Mr. Keough: Mr. Speaker, I don't see what is in the back of the Hon. Leader of the Opposition's mind — Are there Crown Lands, not privately owned, not conceded to concessionaires in Newfoundland, is that the question?

Mr. Hollett: Unalienated. For instance NALCO has acquired a lot of Crown lands and Brinco and several other companies have acquired certain Crown lands or at least the right to prospect and so on. Is there any Crown land, inside or outside if you like the three-mile limit today if a person wants to get some?

Mr. Keough: Mr. Speaker, there are Crown lands. Just what the acreages are — the question comes unexpectedly. I could have the answer for the Committee tomorrow.

Mr. Speaker: Probably the hon. minister would take notice of that as a question.

Mr. Keough: Yes.

On motion Bill read a second time, ordered referred to a Committee of the Whole House on tomorrow.

Second Reading of a Bill, "An Act Further To Amend The Workmen's Compensation Act."

Hon. C.H. Ballam (Minister of Labour): Mr. Speaker, this bill is designed to permit the Lieutenant Governor-in-Council to set up a review committee at least once in every five years to review, consider, report, and make recommendations to the Lieutenant Governor-in-Council upon such matters respecting the Act, the regulations and the administration of each as the committee deems fit. We know that a review of that nature is done in other provinces for the information, if you like, of the government and also those employers who pay into the Workmen's Compensation Board. This Board handles in the vicinity of \$1.5 million to \$2 million a year.

Mr. J.D. Higgins: And loans it out occasionally too.

Mr. Ballam: Which is properly so. Their reserves, yes.

Mr. Higgins: That is a matter for debate.

Mr. Ballam: These are reserves and they are always handled in that fashion, with good interest, I might tell you! This Bill is not being brought in because it is necessary to hold any investigation or anything of that sort but merely to review if and when re-

quired, and at least every five years. Talking about loaning out the funds of the Board, I may say that in the reserves which the Board have invested, which will be used in years to come because of continuing claims and so on, the Board is making a lot of interest on their investment of their reserve fund, enough to pay the whole of the expenses of the Board. This in my opinion is a good business deal. However, that is beside the point.

Hon. M.M. Hollett (Leader of the Opposition): May I interrupt the hon. minister for a moment. He referred to investment of the fund. I wonder could the minister inject into his remarks information relative to where the reserves have been invested and to what extent?

Mr. Ballam: Mr. Speaker, that has nothing at all to do with this Bill. I would suggest to the hon. Leader of the Opposition, if he will just look at the report which I tabled here in the house a few weeks ago he will find all the answers there.

Mr. Higgins: And a very good report it is too.

Mr. Ballam: It is a good, an excellent report, and I would suggest to all the members of the opposite side and indeed of this side of the house as well, that if they read that report they would learn something to their advantage.

Mr. Murray: Required reading.

Mr. Higgins: Let us proceed.

Mr. Ballam: That is the whole purpose of the Bill. Mr. Speaker, to set up a review committee if and when required, and at least once in every five years. This committee would be paid, of course. There would be a chairman and vice-chairman and the committee would consist of three or more members, as the Lieutenant Governor-in-Council may decide, and the board would have all the powers that are applicable at the moment to the Public Enquiries Act, i.e. the summoning of people, I suppose, and hearing of evidence on oath and so on, things of that nature. That is all that is in the

Bill, Mr. Speaker, and I move the second reading.

Mr. Duffy: That is novel, is it not? That is a new idea. I would like to ask the minister if that is a new idea, to have a committee to review the compensation board work etc? Is there a committee in existence now or not?

Mr. Hollett: There is one point I would like to raise, too, the question of once in every five years. I don't know exactly where the minister gets the idea of once very five years, whether it is supposed to be the life of the house or at least the elected government, every five years. I am not so sure it would not be better to have it twice every five years. It says, at least once. I think it might be wise to have one at the beginning of a new government, so to speak, just to see where the board, is, and then at the end of that particular elected government, so that everything would be in order. I am quite in favour of the Bill. I am not against the principle at all, but I am wondering if it might not be wise to have a couple of meetings during the five year period.

Mr. Renouf: Mr. Speaker, I would like to remind the hon. minister that he said that the committee may be paid for their services. I presume that is not obligatory, that they be paid. I had in mind there are so many public, spirited citizens it might be a voluntary committee of experts who might be glad to serve for nothing. I would like to get an impression of what that committee envisages, and as to whether or not it would be on such a scale as the authority which is highly paid or whether the idea in mind was a nominal remuneration for a number of meetings or something of that sort, or was it visualized it would be a highly-paid, expensive board or committee?

Mr. Higgins: Mr. Speaker, this is a very excellent Bill and I think it is one which may serve a very good purpose. The minister will, I presume, inform us as to when the membership of that committee will be drawn up. I notice the duties of that committee are to report upon such matters respecting the Act and regulations and administration as the committee deems fit. Now, that is a very wide provision given this committee, which I trust will be drawn

without recourse to the civil service. That committee could conceivably report on the wisdom and indeed on the propriety of the Board investing its funds in temporary advances to any government, provincial or federal. One never can tell, the Federal government may be looking for money one of these days. They are spending an awful lot these days. I think the minister is to be congratulated on bringing in this Bill. Not every minister would have the courage to appoint a committee which would be a watch-dog on the administration of his own department. It is a tribute to him and to his confidence in the Board he is prepared to appoint, a committee which will have the power to delve into all aspects of that Board. I think it is a forward step and one on which the minister certainly deserves our congratulations.

Hon. L. R. Curtis (Attorney General): I agréé, Mr. Speaker, that the minister is to be congratulated and the house is to be congratulated too because of the enthusiasm with which they greeted this amendment. When you come to think of it, you know, here is a committee dealing with a lot of money. The Board is collecting a lot of money from the employers, and they are collecting a lot of money, I believe from the employees too, or from the employers for the benefit of the employees. Up to now, they have been a little municipality, a little kingdom of their own. Nobody knows just what they are doing. Everybody has confidence in the Board. There is no question of a lack of confidence. Everybody has confidence in them, but any Board after a while is apt to get slack.

Mr. Higgins: Boards, like governments.

Mr. Curtis: Like oppositions — all people have a tendency to get slack now and then.

Mr. Hollett: One, two, three, four.

Mr. Curtis: I congratulate them on 100% attendance. We will have to get badges printed for them. The idea of having a committee appointed as a matter of routine is a good one. If any government said — let us have an enquiry into such and such a Board the question would immediately arise — Why? Something has happened?

The members of the Board would take offense and there would be general worry as to just why this thing was taking place. We have this Board spending all this money. Since we have this Board collecting all this money that has a relation to so many people, is it not perfectly natural as a routine matter, once every five years, at least, an enquiry should be made? Perhaps the scope of the Board should be enlarged. Perhaps the policy should be modified. Anything might happen in the course of time, when there is no inspection of a Board. And, Sir, I think the minister is to be congratulated on this suggestion. Obviously the members to be appointed to the Board will be representative of those concerned, employers who are paying this money should be represented, and indeed the employees who are the beneficiaries would have to be represented. The more representative the Board, the more valuable the enquiry they would make and the more valuable their report. I have no hesitation in supporting the Bill, which I think will be welcomed even by the members of the Board themselves, because everybody who has a trusteeship, and these men have a trusteeship, welcomes an opportunity of reporting on their stewardship.

Hon. F. W. Rowe (Minister of Highways): Mr. Speaker, I am very glad that the hon. the Attorney General did make that point, which I believe was made by the mover also, i.e., as a matter of routine and not specifically directed against the operators of the present Board, the present Workmen's Compensation Board. In supporting this amendment, Mr. Speaker, I am very happy to do so partly because it gives me the opportunity to say a word of congratulations to that Board. I have had considerable contact with it in recent years. Most of the members of my constituency are loggers, and that brings them into almost routine contact with the Workmen's Compensation Board and with the workings of the Workmen's Compensation Board and with the workings of the Workmen's Compensation Act. I think Newfoundland can well congratulate itself on the fact this Board was set up some nine or ten years ago and has done a magnificent job. The responsibilities which come under this Board, through this Act, are heavier than most people ap-

preciate. The Board has not become, in my opinion, a bureaucratic body which has adhered to the humanitarian way, to give justice to the workmen connected with it. I have much pleasure in supporting this amendment.

Mr. Duffy: Mr. Speaker, I was wondering if I had spoken.

Mr. Speaker: If the hon. member gets up to speak at all he has spoken.

Mr. Hollett: Even to ask a question?

Mr. Curtis: By leave of the house we might give you permission.

Mr. Higgins: Why should he be given leave?

Mr. Ballam: I did not expect this little, short Bill I brought in here was going to be so widely debated and discussed and so well received, Sir. I am very happy about it. It is a Bill permitting us to hold a review if and when required. Now I want to say also that the work of that Board has been of an exceptional character. They have done a tremendous job and I am sure that we are all proud of it. If you will read the annual report that I presented to the house here you will see the extent of the work which this Board and the commissioners have to do. It is really an enormous job, and they have done it in a most excellent fashion. We warmly congratulate them, and I am very proud of them for having done so. Now some of the hon. members in the Opposition asked some questions. I forget what it was you asked.

Mr. Higgins: I can't tell you now, Sir. I cannot talk.

Mr. Ballam: That is good.

Mr. Speaker: Order! The house will have the opportunity of asking these questions again in Committee.

Mr. Higgins: I hope he hears them the second time, Mr. Speaker.

Mr. Ballam: That is all I have to say, Mr. Speaker, and anything further can come up

when we are in Committee Stage.

On motion, Bill read a second time, ordered referred to a Committee of the Whole House presently, by leave.

Second Reading of a Bill: "An Act To Amend The Local Roads Boards Act, 1956."

Hon. F. W. Rowe (Minister of Highways): Mr. Speaker, three years ago this house brought in a new local roads board Bill, which was subsequently enacted into law and which has had a most beneficial effect, I believe, on the working of the Local Road Boards throughout the province. One of the chief matters in that Bill was provision whereby the people in a community could be paid full-time rather than half-time, and whereby the Board could be elected at meetings, at public meetings, in a democratic manner. This amendment consists of a series of some four very minor, but nevertheless necessary amendments, necessary to the practical aspect of the situation. The first amendment is to amend the Act by deleting the words, from section (2), "containing not less than 50 votes." Originally it was envisaged that road committee could only work satisfactorily in communities where there were at least 50 voters. The department and government have revised their thinking on that matter and we now feel that it is an injustice to smaller communities where there may be only 30 voters but where they are very active. In any case, the fact that there are only 30 voters does not eliminate the need for local activity of some kind or another.

The second amendment seeks to amend the provision whereby action at a public meeting could only be taken when 10% of the voters were present. In many of our communities at various times of the year, especially during the season when local road board communities are most active, a lot of the men are away in the lumber woods, fishing or on construction work, so that at times the effort of the communities to improve their local road services has been frustrated by the fact no action was possible because 10% of the electors could not attend the public meetings. We now amended that. We do not do away with that but we say 10% or 50 voters, so that if 10% cannot attend ac-

tion can be taken if 50 voters were present at the public meeting.

The third amendment is again minor but again necessary. Under the original Act a meeting had to be held on a particular date and if the meeting for some reason could not be held, either because of weather or other reasons, no provision was contained in the Act for subsequent meetings. We now propose to amend that omission to make it possible for the committee to call a meeting within three months of the date fixed for the regular meeting. The final amendment is simple again, a change from merely 10% to make it possible for 50 voters in the area to act in the event that 10% of the members of the board are not available for a public meeting. Mr. Speaker, I move the second reading of this Bill.

On motion Bill read a second time, ordered referred to a Committee of the Whole House presently by leave.

Second Reading of a Bill: "An Act To Amend The Loan Act, 1958, assented to on the Tenth day of September, 1958, and to Validate Certain Debentures of the Province."

Hon. E. S. Spencer (Minister of Finance): Mr. Speaker, this is a Bill merely to make a slight correction in former Bills which were passed in connection with the Loan Act. Section (2) is the new long title and No. 49 of 1958 is renumbered No. 46 of 1958. "An Act To Authorize The Raising Of A Sum Of Loan On The Credit Of The Province And To Repeal The Act No. 46 of 1958, Assented to on the Twenty-First Day of February, 1958." Section (3) is merely authority to repeal this Act of February 21, 1958. Section (4) is a correction merely to dress the Act of 1959 in proper form. It does not in any way affect the volume of the loan. It is merely to make correct and legalize it in the form that the Attorney General's department has advised was necessary.

Mr. Speaker, I move second reading of this Bill.

Hon. M. M. Hollett (Leader of the Opposition): Mr. Speaker, it is the first time I have ever seen a piece of legislation of this nature brought in. There must be some clause. I do know that the \$10 million loan Bill was repealed last year. It almost looks as though

we borrowed money under the wrong Loan Bill. Correct me if I am wrong on that. Of course, I realized we have to legalize any such action of the government relative to a loan in order to make bonds what they are supposed to be, negotiable and what not. I am not against the principle of this but would like to know why it is necessary to have this amendment to the Loan Act, 1958. If I am correct in suggesting some error must have been made in regard to the various Loan Bills — perhaps the minister could answer that. I am not against the principle at all.

Mr. Spencer: May I give the explanation, Mr. Speaker?

Mr. Speaker: If the minister speaks he will close the debate. It appears no other member wishes to speak, so the hon. minister has the floor.

Mr. Spencer: Mr. Speaker, the hon. Leader of the Opposition is strictly correct in at least part of his observation. There was no loan made nor no loans were made illegally. As I endeavoured to point out, this is merely a correction. There were, in 1958, two loan Bills. The original one was assented to for \$10 million and then a later Bill came in which would appeal the former one and arrange for a \$13 million loan. At that time, the Act governing the \$10 million loan had not been repealed, so when the loan referred to in 1958 came in, there was a question of the Act 1958 that was quoted as the authority for it. Of course, that was not strictly correct. The loan merely went on exactly in the same way as if that error was not there. This merely corrects matters so that there will not be anything on the Statute Books. I am sure the hon. Leader of the Opposition as well as ourselves is anxious to make sure we have things in proper form. That is the proper explanation. I left the house a few minutes ago. Perhaps some persons may have observed me going out, to contact the Comptroller of the Treasury to determine exactly what this point was. That is the answer given. I can assure the house there is no other reason except, if you like, merely dressing up the Act in the proper form so there will be no question about it. I think that explanation is satisfactory and is as far as I am concerned. I presume I have to close

the debate, so move second reading of the Bill.

On motion, Bill read a second time, ordered referred to a Committee of the Whole House presently, by leave.

Second Reading of a Bill: "An Act Further To Amend The Civil Service Act."

Mr. Spencer: Mr. Speaker, this Bill is No. 73, and I presume all members are in possession of a copy. There is very little to point out. As far as I can learn under the Civil Service Act, Section 13 (2) states that a civil service certificate shall not be issued in respect of any persons who shall, after the eighteenth day of December 1947, be appointed to an established post after having attained the age of 50 years. Now that was in the original Act, Subsection (a) of Section (2) is a re-statement of the Act. Subsection (b) however, is the new clause, and this is the part to which I would draw the attention of the honourable members — Subsection (b) says: — "Where any such person is eligible, on appointment to an established post, to be credited with not less than 10 years of pensionable service, a civil service certificate may be issued to him with the approval of the Lieutenant Governor-in-Council." That particular clause is new. Section 2 (3) is also new, and I quote — "A civil service certificate may be issued with retroactive effect in respect of any period allowed as pensionable service by or under this Act." That is new.

The next one is Section 2 (4) which is as it previously was. Clause (3), "Section 29 of the said Act is amended by repealing paragraph (c) and substituting therefor — "(c) any period during which a person is not employed as an established civil servant, unless otherwise provided by or under this Act." The only new thing about that is the two words "or under." It is merely, and again on the advice of the Attorney General's Department, to have the Act read as correctly as they can advise us — and the two words — "or under" — are added in that clause. These same two words, as hon. members of the house will observe, are shown in Section (3), Clause 2, where it refers to a civil service certificate which may be issued retroactively in respect of any period allowed as pensionable service by or under — These two words were in that particular

section and are now being inserted in Clause 3 (c).

Mr. Speaker, I move second reading of this Bill.

On motion Bill read a second time, ordered referred to a committee of the whole House presently, by leave.

Second Reading of a Bill: "An Act Further To Amend The Local Authority Guarantees Act, 1957."

Hon. L. R. Curtis (Attorney General): The minister is not here, Mr. Speaker, but this Bill was explained very thoroughly in Committee. You will remember the Bill came in by way of Resolutions, I don't think the house would want to hear any further speeches on that.

On motion, Bill read a second time, ordered referred to a Committee of the Whole House presently, by leave.

Second Reading of a Bill: "An Act To Amend And Consolidate The Law Respecting The Operation Of Saw Mills."

Hon. W. J. Keough (Minister of Mines and Resources): Mr. Speaker, this Bill is not as formidable as it might look. The principal purpose of the Bill is to consolidate the several amendments that have been made during the past six or eight years, to the Saw Mill Act, to incorporate them into one piece of legislation.

There are two or three amendments proposed of which I should make brief mention. It is proposed to eliminate the distinction between a Crown license and a private license. As far as saw mills are concerned the distinction is no longer necessary. A Crown license at the present moment means this: A man wants to erect a saw mill on Crown land. He pays his license fee and pays to the Crown a royalty on the timber that he must use. A private license means, a man wants to erect a mill on private land. He pays his saw mill license to the Crown and stumpage to the people who own the land, and also pays a small royalty on a graduating scale to the Crown. Now the additional royalty that a person operating a mill on private land is required to pay has been considered quite a burden across the years and has been a source of very considerable irritation, and the revenue from the operation is quite

small and, as a matter of fact, hardly worth the trouble of keeping track of collecting it. So that it is proposed to eliminate that distinction.

Another amendment suggested is this: Previously a man received a saw mill license to operate on Crown land, and it was indicated to him the general area on which he might cut the logs, and he went in and set up his mill on any site he chose. In future, he will be required to get a permit from the Director of Crown lands as to just exactly where he must place his mill.

Finally, there is to be an elimination of notice. Up until now, as the law presently stands, if a man is going to apply for a saw mill license, notice of his intention to apply must be posted in the community in some prominent place, usually the post office, and it must stay there for 30 days. At the end of that time, if no protests have been received, well and good, and if there are protests they are judged accordingly. Actually it is a very time-consuming business. The protests never amount to very much. We find today that the new forest management staff we are developing in the department are more qualified than perhaps anybody else to say where saw mills should be established, and areas where wood should be cut. So this eliminates the need to give notice. There are one or two other amendments, really modifications of procedure required, statistics and rounding-out, telling perhaps a little more of the conditions of operating saw mills in respect of the reduction of fire hazards and disposal of waste and prevention of undue waste in sawing operation. That about covers it all, Mr. Speaker, and I move second reading.

Hon. M. M. Hollett (Leader of the Opposition): There is nothing wrong, Mr. Speaker, with the principle as far as we can see on this side of the house. I wonder, Sir, if the minister in his reply could give us some idea as to the number of saw mills in operation now in Newfoundland and approximately the number of feet of sawn lumber produced in Newfoundland and, if possible, the number of people engaged in the operation. I think we would be glad to have that information, if the minister has it at hand.

Mr. Keough: Mr. Speaker, there again I will

have to fall back upon giving the reply in Committee of the Whole Stage. If my memory serves me correctly there were somewhere between 1500 and 1600 saw mills operating in Newfoundland last year. As to how many licenses were issued this year, and the number of board feet sawn last year, and the number of persons employed, I have not that information on hand but will have it tomorrow.

Mr. G. Nightingale (St. John's North): Mr. Speaker, I am sorry the debate has closed — the hon. the Minister has spoken.

Mr. Speaker: Probably the hon. member might ask the question in Committee. On motion, Bill read a second time, ordered referred to a Committee of the Whole House on tomorrow:

REVENUE AND AUDIT ACT:

Second Reading of a Bill: "An Act Further To Amend The Revenue And Audit Act."

Hon. L. R. Curtis (Attorney General): Mr. Speaker, this Bill follows Resolutions which were before the house. Hon. members will remember that the Resolutions called for the statutory salaries of the Comptroller and Auditor General to be fixed at \$11,000. The object of this Bill is to amend that \$11,000 to read \$12,500.

Mr. Hollett: Mr. Speaker, I have here the estimates for last year, and, if I may refer to them, I find under salaries that both the Auditor General and Comptroller were to get \$14,000. First when I saw this I thought it was an arrangement whereby an increase in salary was being proposed by the government to both the Comptroller and the Auditor General, but it looks very much like, to me now, instead of getting a raise, as indicated, they are getting a cut from \$14,000 down to \$12,500. Now I don't know whether that is so. The Attorney General spoke of \$11,000 as the statutory salary. That may be so, but surely the estimates are statutory. They were passed last year, which made them, I think, statutory or as good as statutory. And under these estimates the Comptroller and the Auditor General were each paid \$14,000 salaries. Now I have not

yet had it explained to me, nor has anybody on this side of the house, why this reduction of salary from \$14,000 to \$12,500. When I spoke on that very item last year, when it was agreed to increase the salary from \$11,000 to \$14,000 we wanted to know why and so on, with the money stringency, and we were really persuaded last year that \$14,000 was right, and the approved salary was to go to the Auditor General and Comptroller, who, after all, are the people responsible for the correctness of all matters relating to finances of the country. They have very responsible jobs, and I believe we have two very responsible people as the Comptroller and the Auditor General. I there cannot find myself in accord with this Bill, which undoubtedly means a reduction in salary. If last year they were entitled to a salary of \$14,000 and were so paid, as undoubtedly the estimates authorized them to be so paid, then I think some other explanation will have to be forthcoming before I change my mind and favour this Bill. There must be some reason why such important people in the machinery of government should take a cut of this size, from \$14,000 to \$12,500, that is \$1,500 a year.

Mr. A. M. Duffy (St. John's Centre): I think the Minister of Finance will have to give us some explanation before we on this side of the house can agree with that cut. Of course, if we do not have the money in the Treasury that is one reason why, and where everybody should take a cut, a civil service and everybody else. But once this house agreed to raise the salaries of the auditor general and comptroller from \$11,000 to \$14,000 with reason, and good reason offered at that time, then we must have reason to show why we should agree to have them cut down to \$12,500. I may say I am against the principle involved in this Bill.

Mr. G. R. Renouf (St. John's South): Mr. Speaker, just a word of support of the hon. Leader of the Opposition. I will say this; if it involved a reduction in salary of such high ranking and efficient people, then the efficiency in the normal course of events is inclined to decline, because when the general tendency is the other way and professional people get higher and higher rates of pay, higher salaries, it seems strangely out of keeping with the times and in contradiction

to the trend of events that two financial experts, on whom the government must rely so greatly, should get reductions in pay. I am of the opinion that a cut in pay is going to result in a decline in interest and efficiency.

Hon. E. S. Spencer (Minister of Finance): Mr. Speaker, I appreciate the feelings of the hon. Leader of the opposition and his colleagues in this connection. It is true that entry was shown in the estimates of last year. The fact is, however, that the two gentlemen in question are paid statutory salaries, which must be voted and controlled by the Revenue Act. The reference, however, to the cutting of the salaries of these men is rather unfortunate because, strictly speaking, the salaries were never confirmed by the Revenue and Audit Act. So there has not been any such thing as a cut but quite the reverse. When this government came into office the salaries, of course, of all civil servants, including the top members for whom we all have the utmost respect I am quite sure — speaking particularly as the Minister of Finance, I know of the great value of the Comptroller and his zeal for the work which he performs. In fact this very discussion perhaps provides me with the opportunity of paying tribute to a man than whom I know of none other that works so zealously on behalf of the government and the people in his efforts to perform his duties to the utmost. Time means nothing to him. I do not hesitate to pay tribute to the Comptroller and as well to the gentleman who happened to be the Auditor General at the moment. However, the fact is that both these gentlemen's salaries have been raised very, very considerably from the statutory salaries being paid them at the time when this government came into office, and that applies to everybody. Now beyond that I think it might well be stated the matter of salaries to civil service and/or people employed by the government is really a matter of government policy, and to that end I do not think the house would expect me to have or to give the final word. It is a matter of government policy, which I am quite sure should be explained and perhaps defended, if necessary, by the hon. leader of the government, the premier. Unfortunately he is absent this afternoon. I am quite sure he would be very ready and willing to

give further explanation as far as government policy is concerned. But, Sir, I want to assure this house there has been no new cut in salary.

Mr. Hollett: Would the hon. minister allow a question? Can the hon. minister tell us how much money was paid out of the Consolidated Revenue last year to these two gentlemen?

Mr. Spencer: The Leader of the Opposition, Mr. Speaker, has pointed out certain sums were voted in the estimates. That is quite true.

Mr. Hollett: Were they paid that?

Mr. Spencer: Could be pending; pending the investigation of civil service salaries, for which there has been a Royal Commission appointed and which has worked zealously until illness overtook them. Then the government were forced, because of the illness of these gentlemen, to appoint a Committee of the Executive Council to investigate salaries and make recommendations to the government. That was done, and the recommendations that were made by that Committee of Council were implemented and confirmed by the government as a matter of policy — that is the part to which I referred and to which I feel the hon. the Premier should give the explanation. I merely want to reiterate that these salaries are statutory. They must be confirmed by the Revenue and Audit Act, and there was no such confirmation granted beyond the \$11,000 salaries paid to these two gentlemen. This year, when the government or the Committee of Council investigated salaries and inquired into not only these two, I might say, but into quite a few other members of the civil service, that Committee made recommendations that these gentlemen be advanced to \$12,500. That recommendation came to the Cabinet in the regular way and was confirmed and now the management is bringing in an amendment to the Revenue and Audit Act to confirm the same.

Mr. Speaker, I trust I made myself clear but I do contend if there is any further information necessary on that point I feel it would be proper to defer this particular item if necessary, until the hon. the Premier will

have an opportunity to give this explanation on government policy in the matter. It does not behoove, me, at least, to outline the actual policy of the government unless I am designated or assigned that particular duty by the hon. the Premier.

Mr. Curtis: Might we have a 10 minute recess, Mr. Speaker?

Mr. Speaker: Should we deal with the Bill first? I might point out, the principle of the Bill is merely that the Revenue and Audit Act be amended to permit the paying of salaries in excess of \$11,000 to these people — This matter of an amount in excess of \$11,000 is a matter which can be dealt with in Committee.

Mr. Hollett: They were paid only \$10,000 a year before, according to the estimates. There must be something wrong with the making up of the estimates. There were \$10,000 in there last year.

Mr. Speaker: That does not alter the amendment in second reading — At this time it is agreed that the house recess for 10 minutes.

On motion the house recessed for 10 minutes after which Mr. Speaker resumed the Chair.

Hon. L. R. Curtis (Attorney General): If there is nobody else to speak, Mr. Speaker, I would close the debate.

Mr. Speaker: I take it no other hon. member wishes to speak to this motion now. If the hon. the Attorney General speaks he closes the debate, since he made the motion. The Attorney-General has the floor.

Mr. Curtis: It is true, Mr. Speaker, as pointed out by the hon. the Leader of the Opposition, that last year we voted these two officials \$14,000. We also voted one of the deputies \$14,000. The government found that they embarked upon a scale which they found quite impossible to follow. As the house knows, there are a number of deputy ministers who might be called professional men in their own departments. In other words, a professional man occupying a position in the civil service which calls for a professional man and he is entitled to be

paid a salary slightly in excess of what would be paid, or in excess of what should be paid to a man occupying a non-professional post or even a professional man occupying a non-professional post. So that the government was faced with the possibility of having to pay all the deputies, all the senior members of the government staff on the same basis as we had voted salaries to these two officials that we are discussing now. Obviously we felt two things: (1), if we paid all the professionals in the government service salaries at that rate we would have to raise all the salaries of all the civil servants. We could not increase the salaries of the Auditor General and the Comptroller by \$3,000 a year and not give increases to other members of the civil service, particularly the other deputies. We did not feel we should pay the deputy minister of Finance one salary and the other deputy minister a lesser salary. So the government appointed a sub-committee and that sub-committee went into all the facts and figures. In other provinces we found that the deputy minister of health, in all the provinces, were paid more than any other deputy ministers due to the fact that in Canada today we have a health scheme, and due to the fact too that because of that health scheme there is a great scarcity of doctors. In the old days -

Mr. Hollett: Because of it?

Mr. Curtis: Because of the increased need of doctors and the increased demand for doctors. There is a scarcity of doctors throughout Canada. The pattern has changed completely during the past couple of years and now in every province one of the most highly-paid officials of the government is the deputy minister of health. Now, in Newfoundland we are faced with the position where the deputy minister of health had an opportunity to go elsewhere and in order to retain his services we had to agree he would receive \$14,000 a year, which was an increase, I believe, of over what he was getting. The other deputies felt that as soon as he got that increase, they automatically should receive the same increase, and at the last session of the house we admitted that to the extent of the auditor general, and the deputy minister of Finance, who was being paid, of course, not as deputy minister of Finance but as Com-

ptroller of the Treasury. We found then, Mr. Speaker, that every other professional deputy demanded and felt he should receive the same rate of salary, and we found that every assistant deputy felt he should demand and receive a substantial increase. And, Sir, we felt upon reflection, that if we were to go right through the civil service and accept the principle we had adopted by giving the deputy minister of health \$14,000 it would cost the province in the neighbourhood of \$1,000,000 a year. We just felt we could not do it. So that we had to reconsider the decision we had made, and the sub-committee of Cabinet, which was appointed and of which I was not a member, went into the matter thoroughly and looked at all the facts and came in with a recommendation to the government that the salaries be re-adjusted in all the departments, all salaries except Health.

I do not feel at the moment that I should go into any further detail on that because that is a matter which will come up when the estimates are before the house, which will, I think be very shortly. I don't think I ought to anticipate the estimates by saying just what decisions were reached. But, Sir, as much as we would have liked to pay all the deputies and all the professional staff of all the departments of the government on the same basis as we are paying the deputy minister of Health, we felt that we just could not afford to incur that additional liability and hence the reduction, because they are in a way deductions. It is true the Bills were never brought in, the Audit Act was never amended to increase the salaries of these officials from either \$10,000 or \$11,000 to \$14,000 — The Bill was never brought in. Therefore now the nature of the amendment is simply to change the \$11,000 to \$12,500 or the \$10,000 to \$12,500. The section is very clear in that respect. We acted in good faith. I was not here last year when these amounts of \$14,000 were voted. I was not in the house therefore I don't know the nature of the debate, but I do know that, since the house closed, we have endeavoured very seriously to consider and discuss what was done and could be done and should be done, and we decided to follow the practice in the other provinces and not endeavour to pay all our deputies the same salary as we and they were obliged to pay in the department of Health.

On motion, Bill read a second time, ordered referred to a Committee of the Whole House presently, by leave.

Second Reading of a Bill: "An Act Further To Amend The Highway Traffic Act."

Hon. F. W. Rowe (Minister of Highways): Mr. Speaker, I believe it was something over a year ago that a committee was set up by the government to inquire into a number of traffic matters. A representative from the RCMP; Police; Registrar of Motor Vehicles in the department of Highways, and the Attorney General served on the committee for a period, as did also the deputy minister of Highways and other people connected directly or indirectly with highways in this province. Some of the recommendations of that committee have been incorporated into this Bill. In addition to those, we have a number of recommendations which have been made from time to time by the judges of the courts in handing down decisions, and a number of recommendations which have been made to the department of Highways, by the department of the Attorney General and, I might say, by members of the legal profession, who have drawn the attention of the department of Highways to the anomalies and other discrepancies and perhaps injustices which they considered existed in the original Highways Traffic Act.

This Bill, therefore, contains a number of proposed amendments, some of them, I would suggest, of a highly controversial nature. We propose to submit this Bill here almost, in a sense, without comment. We submit it not as a party measure. I have discussed this with the leader of the house and he agreed with me that this Bill should not be considered as a party measure because there are some suggested amendments there which I am quite sure would not be acceptable to everybody on this side of the house. I have heard a number of members on this side, who are members of the legal profession, in heated debate over some of the proposals, and, as a matter of fact, I believe all of us have some reservations in regard to some of the amendments proposed here. On the other hand, the majority will be found acceptable, I believe, and certainly I should say this: from the standpoint of the department of Highways

it is highly important, it is gravely urgent, that some of these measures there, and I shall indicate these in Committee, be considered and, if possible adopted by the house. I am not, Mr. Speaker, going to debate or discuss any of these amendments, I should think probably in all about a dozen or more, perhaps more than a dozen — 10 main amendments and some of these amendments may be sub-divided as much as six or seven times, so there may be 25 or 26 amendments contained in this Bill, and I think it would be foolish for me to try and discuss these amendments in second reading. I would suggest, Mr. Speaker, at least the most practical, the most advisable procedure might be for us to consider all these in Committee, debate them and vote on them where necessary, and if the house judges it necessary, to reject any perhaps, or all, the proposals contained in this Bill.

Mr. Speaker, I move second reading.

Mr. Hollett: Mr. Speaker, if the proviso made by the hon. minister that these various items suggested can be read and discussed fully in Committee is accepted, I would rather not say anything at the moment. There are certain principles to which I do not agree, for instance — why any minister should be given authority to cancel a license when the court already has the right under the Criminal Code, I don't see. That is one thing there with which I disagree; but if the minister agreed it is to be read and discussed thoroughly in Committee of the Whole. I have no more to say at the moment.

Mr. Curtis: I think, Mr. Speaker, that the members of this side agree absolutely with the points made by my hon. friend, the Leader of the Opposition — This is really not a party measure as such, not really a government measure. It is true it is brought in by the government by way of a Bill but the government has no real fixed thoughts as to just what should be done, and we would like to have the guidance and opinions of the various members — and I think we can accept those terms.

On motion, Bill read a second time, ordered referred to a Committee of the Whole House presently, by leave.

Second Reading of a Bill: "An Act To

Amend The Standard Time (Newfoundland) Act."

Hon. L. R. Curtis (Attorney General): Mr. Speaker, this Bill is for an extension of the daylight saving Act. At the present time, it is Chapter 176 of the Revised Statutes. It is the last chapter in the book. It reminds me of a story I heard of a little girl who went to church when they had the last hymn, and she wanted to know if they would have a new book next Sunday. It is the last Chapter of the Revised Statutes, and provides that during the period each year between midnight of the last Sunday of April and midnight of the last Sunday of September the hour of noon shall be fixed two and a half hours later and during the remainder of the year three and a half hours later than noon, Greenwich Mean Time. The purpose of this Bill is to extend the provisions of this Act and have the daylight-saving time extend to the last Sunday in October instead of September. In other words we would have one more month of daylight-saving time. It is a very simple amendment and merely means striking out September and putting in October.

There is another point which just occurred to me now, and which we might consider in Committee. Should we not bring in our daylight-saving time at the same time as they do in the other provinces? I notice that in other provinces they bring it in Saturday night and here we bring it in Sunday night. Perhaps when we get in Committee we might consider Saturday night as the better night to bring it in. A lot of us don't have to get up early Sunday morning, you know, and it might be to our advantage to have it Saturday night. That is a matter which can be discussed in Committee.

Mr. Speaker, I move second reading of the Bill.

Mr. G. R. Renouf (St. John's South): Mr. Speaker, I am very interested in this proposed Bill, and I have had some discussions on it. It is alright for a person like myself and my colleagues in the opposition, but there are those who go to work as early as six o'clock in the morning — I am just wondering about the implications there, in regard to other occupations throughout the country, farmers and fishermen. How would the extra hour extended into October affect

them? I presume there has been some thought given to that matter. I would just like a word of explanation from the hon. the Attorney General whether any implications of that nature have been thought about when extending the daylight-saving time up to the end of October. Is it better for the people working at the harvest at that time to have the season extended? Then too, does it have any impact upon the fishery activities etc? I wonder if the hon. the Attorney General might enlarge a bit upon that when he speaks?

Mr. A. M. Duffy (St. John's Centre): Mr. Speaker, I am certainly in accord with the principle of the Bill. I think it is a very good idea. It might be a better idea to bring in a Bill to change the weather instead of changing the time.

Mr. Curtis: Mr. Speaker, I might say, in reply to the hon. member for St. John's South, that I don't think the fishermen, I don't think the farmers or people outside St. John's care what time it is. They go to work by the sun and they stop work by the sun, and I don't think they look at their clocks at all. The only difference is that it might make some difference in the time they listen to the radio programs.

On motion, Bill read a second time, ordered referred to a Committee of the Whole House presently, by leave.

MOTIONS:

Giving Notice of Motions: Hon. the minister of Provincial Affairs asks leave to introduce a Bill, "An Act Relating To Historic Objects, Sites and Records."

On motion, Bill read a first time, ordered read a second time now by leave of the house.

Second Reading of a Bill: "An Act Relating To Historic Objects, Sites and Records."

Hon. M. P. Murray (Minister of Provincial Affairs): Mr. Speaker, at the present time there are on the Statute Books of Newfoundland a Public Records Act, a Museum Act, an Historic Objects Preservation Act." All these Acts deal with the same matter and purpose. As a matter of fact, most of the

people serving on the Boards under these Acts are the same people.

The object of this present Bill is to consolidate these three Acts and have one Board instead of four boards, which are presently acting, or supposed to act. Under the new Bill, a Board is to be set up consisting of five members, or not less than five or no more than nine members, who will be appointed by the Lieutenant Governor-in-Council. There is only one statutory position upon that Board, the deputy minister of Provincial Affairs, the idea being that that official would act to give continuity to the Board, a sort of liaison officer between the Board and the government. This Board will have under its jurisdiction the museum, historic objects and sites and archives, the archives of Newfoundland. As I said, it will prevent duplication of board duties, duplication of personnel and would tend to make a more workable entity. That is the principle of the Bill, Mr. Speaker, and I move second reading.

Mr. Duffy: Mr. Speaker, we have just received this Bill, and naturally did not have time to study it. But, Sir, I don't quite agree with the views of the minister of Provincial Affairs when he puts all these boards together, including, I believe, the museum. To me the museum and archives are two very distinct operations. The archives, I should think, is a more soberly conducted operation and the museum more or less a public place for people who are curious. I think they are two entirely different things, and I think both have importance in their own way. The archives particularly, it seems to me, should not be confused with the museum or other boards. I think that a lot of consideration should be given to this. Anyway, as I said, we have just had the Bill and should be given a little time to study it. I move the adjournment of the debate, Mr. Speaker.

On motion debate on second reading adjourned.

Hon. the minister of Provincial Affairs (Mr. Murray) asks leave to move the house into a Committee of the Whole to consider certain Resolutions in relation to the Establishment of an Insurance Fund to Provide a Contributory Pension Plan for Members of the House of Assembly With Long Service."

On motion Mr. Speaker left the Chair.
MR. CLARKE, Chairman of Committee.

Hon. M. P. Murray (Minister of Provincial Affairs): Mr. Speaker, the object in moving the house into Committee is to consider whether or not the resolution will be accepted by the house, to establish a pension fund, an insurance fund, to provide pensions for members. As the resolution shows, this pension fund will be subject to three limitations. First of all it would have to be contributory, on a contributory basis. Secondly, pensionability would only arise after long service. Thirdly, persons would only become eligible for pensions after long years of service.

Now considering the principle of pensionability as such, I think, Mr. Chairman, that is hardly arguable and it is hardly debatable, so long and so well-established has the principle of pensionability been in effect in industry and in commerce, the banking field and in the insurance field. The principle that long years of service by a person who has devoted the most lucrative years of his life is entitled in his declining years to some compensation, when his earning power declines, his employability or chances of employment becomes lessened, is, as I said, extremely well-established in commerce and various fields of endeavour. As we know it is a very well-established principle in government circles; the judiciary is pensionable, as we know, without contributions, and in this Province the members of the civil service are also pensionable without contributions. That being so I don't think it is extending the principle too far to suggest that the members of the legislature, after long service and after having attained a certain age, would be entitled to some consideration on a contributory basis when men on the bench and officials in government office are entitled to such consideration without any contributions.

This measure, I may say, Mr. Chairman, creates no precedent. It is now very well established in Canada. When we came into Confederation, of course, a great number of our laws were brought into conformity with the Canadian laws and practices. There is hardly a day goes by in this house when some measure is not brought in to bring our laws into uniformity with those existing on the mainland. In 1952 a similar

measure was brought into the House of Commons and was passed and a Bill, of course, was brought in to give effect to the resolution, and the pensions Act for members has been on the statute books of Canada since 1952.

I might say, Mr. Chairman, that I have obtained a good deal of information as regard to the working of this particular plan, and it has worked out extremely well. The plan, as it stands now after that many years in Ottawa, since 1952, has been self-supporting. It has called for no future drain on the Consolidated Revenue Fund, other than making the grant which the Act calls for. In the House of Commons Fund, which I am talking about now, as it presently exists, there is a deposit to the credit of the fund of something like over a million dollars. Well, after the Federal plan went into effect, various others of the legislatures of Canada have put through similar measures. At the moment there is similar legislation in British Columbia, Alberta, Saskatchewan, Nova Scotia, Quebec and in the Federal Government, of course, leaving only Manitoba, Ontario and Prince Edward Island without legislation of this kind. So that, I say we are not creating any precedent. We are following along on the trail well blazed by these other legislatures. And I am informed although they have no such legislation presently in effect in Ontario and Manitoba they are actively, at the moment, considering bringing in such measures. Some of these measures in the other provinces have only been in effect now three or four years. I requested information as to how they were working out from a self-sustaining point of view but could not obtain any accurate information. They have not been sufficiently long in effect for any of the officials administering it to predict how it will ultimately turn out. If the Federal Act is any criterion, that has been very successful. Indeed, as I have said, it has been self-sustaining apart from a matching contribution, and there is in the fund at the moment a million dollars in credit. We hope, if the Resolution is accepted and a Bill brought in, that in Newfoundland the thing would work out similarly well and after the initial contribution is made from the Consolidated Revenue Fund it would become self-sustaining.

There is just one other point I would like to

make: When this measure was being debated in the House of Commons — it was brought in by Mr. St. Laurent, who was the Prime Minister at that time and he stressed one particular point which I think is worthy of bringing to the notice of the Committee. He pointed out himself that his own service was too short and he was too old a man to gain any personal benefit himself and therefore, he said, he could speak from an unbiased point of view. He did say that, after mature reflection, he thought such legislation was in the public interest. He pointed out that now-a-days we are living in a more or less welfare state, and people did put great emphasis on security in their old age. And he did go on to say that if some security were not given to people who put in long service in the legislature, then it could possibly deter able and active men from giving up their lucrative years to public affairs, if no security were provided for their old age — and he did say such an effect would not be in the public interest.

For a democracy to work well, the calibre and quality of the men in public life is of paramount importance, and if certain men feel they are debarred from entering public life because of their fear of the future, it would interfere with the democratic process and you would not get a good cross-section of the population, which is so essential for democracy. I am quoting Mr. St. Laurent's argument in the House of Commons now, not his words. I think these are very substantial reasons, Mr. Chairman, and these were reasons which Mr. St. Laurent gave and which were endorsed entirely by the leaders of the other parties in the House of Commons, Mr. Caldwell of the CCF and Mr. Drew, then the Leader of the Opposition, spoke enthusiastically in favour of such a measure. And, Sir, I think when we have the example of these men, who are regarded universally as eminent Canadian statesmen, regardless of party, who spoke so unreservedly in support of such a matter, then we can follow along in line, particularly in view of the fact that if the Resolution is passed and the Bill brought in, we will be the seventh legislature in Canada to have a similar measure. At the moment, as I said, there are six provinces already with such legislation and the Federal Government, and if a similar measure is brought in we will be the seventh, leaving only three of the legisla-

tures in Canada without such a measure. Mr. Chairman, I move the Resolution.

Mr. Renouf: Mr. Chairman, I took due note of the remarks of the hon. minister of Provincial Affairs. I, at the moment, do not feel capable of making any comment on the measure other than propose that we have a reasonable time in which to study the matter. It may not call for any undue delay but I ask that the Resolution be adjourned until we get time to study the matter.

Mr. Murray: If the hon. member who has just spoken goes along with the principle of the Resolution, then of course the Bill would be distributed and I think if there are any objections then would be the right time to raise them, when the Bill is being discussed in second reading rather than at the Resolution stage.

Mr. Renouf: I don't know that I have committed myself to the principle — I would not be prepared to make any comment at the moment.

Hon. M. M. Hollett (Leader of the Opposition): Mr. Chairman, I have had an opportunity to read the Bill and I have had an opportunity to study some of the Bills which were before the other legislatures in other provinces — I think there are six or seven but I am not sure which — and in addition the pension scheme by the Federal Government, and consequently I don't find anything wrong with the principle of the Resolution. As Mr. St. Laurent said I will say, I don't imagine it will be of much benefit to me because I notice as I read the Bill there is no provision there for a man's widow and consequently it does not appear very attractive to me. But I am not against the principle of the Bill. I do realize we have some young men in the house today, whom I hope will be in the house, and on this side with us, or that side with us, as the case might be, in years to come. They have had some considerable experience in the working of this house and the working of government, and if it is possible to make the job which they are doing now a tiny little more attractive then it is at the moment then I certainly have no objections to it, because I do realize that what we need here is some

experience, and the more experience we get the better.

This could have very little inducement for me because it would cost me a good bit more money than I have in the bank at the present time to even get in on it. But I do realize it would be of great benefit to people at certain stages in their career and age. I am not against the principle whatsoever, and of course anybody who is in favour of the principle has the backing of the other six provinces who have already adopted it as well as the Federal government. I see nothing wrong whatsoever with such a scheme for a man who is prepared to devote a good part of his life in the people's interest here in this house. When I say the people's interest, I don't mean the bit of work we do here in this house. I mean, every one of the members in the house, on both sides, has to bear the brunt of the criticisms and jeers and sneers of a lot of people all the time. That is one thing. Also he has to listen to his constituents, and when I say constituents I mean all of Newfoundland; their complaints and troubles and try to get them work and into hospital, and do this and that. That has come down to us from previous legislatures, from our ancestors. Our people look up to us to do what we can to assist them to live in this country, which is a difficult country to live in. It is not too easy to live in this country where we have so much fog, rain, gales, snow and everything else, in addition to city councils which want to impose certain things upon us. I do think that the job of a member of the house is very important and he has a great responsibility, and I do realize that quite a large percentage of us in this house do take our responsibility seriously and do the best we can for our fellow Newfoundlanders. Therefore if a person is prepared to spend many years of his life at that work, I see no reason on earth why he cannot contribute to a contributory scheme whereby at least, when he is kicked out or gets out after 10 years or 10 sessions, as the case may be, he would get a little compensation to tide him over until such time as he can again re-establish himself into some job which would give him some pecuniary benefit. No, I am not at all against it, but as my esteemed colleague pointed out, a little time to study it would not be amiss. But, Sir, I do think adjournment at second reading would be of more benefit

than at the Resolution stage, if my colleague would be prepared to agree with that.

Mr. Duffy: Mr. Chairman, I must say I am not opposed to the principle of the Bill, but have to agree with the comment here that we should have a little time to give to study the sections. It is very lengthy. I am not saying I am opposed to the principle of the Bill.

Hon L. R. Curtis (Attorney General): All that is before the house is this Resolution, and I do not think there could be any objection to adopting the principle of that Bill, the principle of this Resolution — We are not now considering the Bill.

On motion, Resolution carried:

On motion that the Committee rise and report having passed this resolution, Mr. Speaker resumed the Chair.

Mr. Clarke: Mr. Speaker, the Committee of the Whole have considered the matters to them and have passed certain Resolutions and recommend that a Bill be introduced to give effect to the same.

On motion, report received.

On motion, Resolution read a first time.

On motion, Resolution read a second time.

On motion a Bill, "An Act For The Establishment Of An Insurance Fund To Provide A Contributory Pension Plan For Members Of The House Of Assembly With Long Service," read a first time, ordered read a second time on tomorrow.

Hon. E. S. Spencer (Minister of Finance): With permission of the house I ask leave to move a motion in regard to supplementary supply. Agreed.

SUPPLEMENTARY SUPPLY:

Mr. Spencer: Mr. Speaker, I give notice I will on tomorrow ask leave to move the house into Committee of the Whole to consider resolutions in relation to granting supplementary supply to Her Majesty. Mr. Speaker, may I say in relation to that particular motion, it has no bearing on interim supply presented a few days ago, and I wish the house would not become confused on it. On motion that the house go into Committee of the Whole on various Bills, Mr.

Speaker left the Chair. Mr. Clarke, Chairman of Committee of the Whole.

Mr. Spencer: Some time ago I intimated that this Bill might be referred to a committee of the lawyers of the house, and I just don't know whether that should be done while the house is in Committee or whether it should be done while Mr. Speaker is in the Chair.

Mr. Chairman: While Mr. Speaker is in the Chair.

Mr. Curtis: We will take up that matter when the Speaker returns. I would ask, therefore, Mr. Chairman, that we consider Bill No. 78, "An Act To Provide For The Construction Of Additional Buildings And Improvements For The Use Of The Memorial University Of Newfoundland." In this case, Mr. Chairman, I would ask leave to have circulated a second printing of this Bill, and with the consent of the house I would ask that this second printing be accepted in lieu of the first printing, which was ready by leave yesterday. I might say, as I said yesterday, that this legislation must of necessity pass through a lot of hands, and it was only this morning that we received back from the United States certain suggested amendments to the Bill that we passed yesterday.

Now I don't know whether hon. members would like to have the new Bill read again — I understand that most of the amendments are purely changes in words, that the object of the Bill is not affected in any way, the principle of the Bill is not altered, but in fact the financiers in the United States want many more changes than we put in there. We have cut down and taken out but have refused to accept changes we felt served no real purpose — In other words, when we in Newfoundland are dealing with lawyers in another country we have these conflict of laws to deal with. We must realize too that they use different language from the language we use, and some of the terms that they use and we use jointly are interpreted differently in our jurisdiction. So that, rather than have the amendments, which were very numerous, made item by item, I have preferred to have the whole Bill reprinted — whether the house would like to reserve consideration of them until they

have been read or if they would rather we sat down and heard them read by the clerk is immaterial to me. I am in the hands of the Committee. If the Committee would like to have the time to take the Bill home and read it?

Mr. Duffy: There are no substantial changes?

Mr. Hollett: No change in principle?

Mr. Curtis: No, just changes in the wording.

Mr. Renouf: Mr. Chairman, the hon. the Attorney General said there is a hope of closing tomorrow, if the agenda is not too heavy. Could it with convenience be left until tomorrow afternoon, as an overnight look might be alright?

Mr. Curtis: I wonder, Mr. Chairman, could we read it now and still leave the Bill in Committee? That would give us a chance to come back to it.

On motion clauses (1) through (9) read and carried.

Mr. Hollett: On clause (10), Mr. Chairman, that is a new clause completely, and I do not know if it contains anything different from the general principle of the Bill. I have not yet had the time to grasp the significance of clause (10). It apparently gives the Memorial University of Newfoundland Building Corporation the right to borrow and issue mortgages on the land and also on the rentals which might be received. I have not had time to study that — Could we let that one stand?

Mr. Curtis: Perhaps we might pass it, but we will undertake to re-open it, tomorrow, if asked.

On motion, clause (10) carried, provisionally.

Mr. Curtis: Mr. Chairman, I move the Committee rise, report progress and ask leave to sit again.

On motion, Mr. Speaker, resumed the Chair.

Mr. Clarke: Mr. Speaker, the Committee of the Whole considered the matters to them referred and have directed me to report

progress and ask leave to sit again. On motion, report received, Committee ordered to sit again on tomorrow.

Mr. Curtis: Mr. Speaker, I move the remaining orders of the day do stand deferred and the house at its rising do adjourn until tomorrow, Wednesday at three o'clock.

On motion, all remaining Orders of the Day do stand deferred.

On motion the house at its rising adjourned until tomorrow, Wednesday at three o'clock.

Wednesday, June 17, 1959

(Afternoon Session)

The house met at three o'clock.

Mr. Speaker in the Chair.

ROYAL VISIT: GIFT TO HER MAJESTY:

Hon. J. R. Smallwood (Premier): Mr. Speaker, I thought that the house would be interested in hearing a very brief account of the presentation of the Gift of Newfoundland to Her Majesty the Queen:

As the house is aware, the gift takes the form of an annual grant from the public Exchequer of \$10,000 to assist in the education of retarded children. The gift will be presented to Her Majesty on Friday morning at Confederation Building by me in behalf of the government and people of Newfoundland. The exact wording has just been handed to me. It reads:

TO HER MOST GRACIOUS MAJESTY

QUEEN ELIZABETH THE SECOND
By the Grace of God, of the United Kingdom, Canada and Her other Realms and Territories QUEEN, Head of the Commonwealth, Defender of the Faith.

Most Gracious Sovereign:

We the Government of Newfoundland, present our humble duty to Your Majesty, and on behalf of the people of Newfoundland desire to tender our deep loyalty and

devotion to Your Majesty's Throne and Person.

We crave Your Majesty's gracious concurrence in the setting aside each year in future of the sum of not less than \$10,000 to assist in the education of mentally handicapped children, and to be known as "The Queen Elizabeth the Second Grant in Assistance, for the Education of Retarded Children". May the Almighty Ruler of the Universe grant length of days to Your Majesty and peace and prosperity to Your Royal House. Signed at St. John's, Newfoundland, this nineteenth day of June, in the year of Our Lord one thousand, nine hundred and fifty-nine, on behalf of the Government and People of Newfoundland.

(Signed) Joseph R. Smallwood, Premier
It folds up showing the Coat of Arms of the Province. There is then a second copy for the Archives, The Newfoundland Archives. I thought the house would like to see it. When I know who has inscribed it, or whatever the word is, I will inform the house.

The wording, of course, obviously, will not be published in the newspapers nor over the radio until after Her Majesty has received it. I have shown it here today primarily for the members of the house.

Notice of Questions:

BAY D'ESPOIR POWER:

Mr. G. R. Renouf (St. John's South): Mr. Speaker, I would like to ask a question of the hon. the Premier, whether any further statement might be available concerning the BRINCO, Bay d'Espoir development; whether it is understood that BRINCO has secured customers for the power or customers for a proportion of the power. We were wondering if that would bring about a taking up of the Federal offer for assistance, in that particular development?

Premier Smallwood: Mr. Speaker, perhaps it would be best if I were to tell the house at this point, if it is the desire of the house, just what this is all about.

BRINCO have a project to develop, or to begin to develop, the hydro-power potential of Bay d'Espoir to the extent of 70,000 horse power of the 300,000 or so that can be

developed. And 70,000 represents the minimum amount of power that it is economic to develop. They know what it would cost to develop the power at the plant, not delivered but just developed and ready to be delivered. They know what that will cost and they can finance that. They have had discussions with Bowaters of Corner Brook and the Anglo Newfoundland Development Company of Grand Falls, Buchans Mining Company and the Newfoundland Light and Power Company of St. John's and finally the M.J. Boylen interest at Tilt Cove, Baie Verte, with a view to having those places and companies become customers.

Bowaters and the A.N.D. Company have agreed to become shareholders in the new company to be created by BRINCO, the shareholders then being BRINCO and all its ramifications, Bowaters and the A.N.D. Company. This new company, made up of those shareholders, would be the company to develop the power and to raise the necessary capital. I speak from memory, but I think it is \$11 million it will cost to develop the first 70,000 horse power. Unfortunately, it would take another \$7 million, I think (I speak from memory, and I want that clearly understood), to build the transmission lines that would carry the power from the plant at Bay d'Espoir to the customers at Corner Brook, Buchans, Baie Verte Peninsula, Grand Falls and the nearest point to St. John's, which might well be Clarenville.

Sir, quite frankly, if that \$7 million are added to the \$11 million (and again I speak from memory but I am pretty sure it is \$11 million) it would cost to put the plant there, build the dam and all the power development generally, the total cost would be \$18 million, which in that case would run the cost of the power, delivered to the customers, to a figure that they will not pay. BRINCO's idea, therefore, is that the transmission lines from the power house in Bay d'Espoir to the customers, costing approximately \$7 million will be built and owned and operated by the Newfoundland government. The Canadian government have offered, pursuant to the Act which was passed in the House of Commons a year or two ago, according to the terms of that Act which are applicable to the Atlantic Provinces, all four of us (I want that clearly

understood) — the offer made by the Canadian government is an offer made pursuant to the Act already existing, passed by the Parliament a year or two ago, since the present government of Canada came into office, an Act which is applicable to the four provinces — pursuant to that Act the government of Canada have offered to lend the government of Newfoundland the \$7 million.

Now, I have not brought that proposal before my colleagues in Cabinet for this reason: I have had a communication from the Prime Minister and I have told the Prime Minister in reply that I appreciated his offer and that I would bring it before my colleagues at the first suitable moment. That suitable moment has not yet arrived, because, and this is a very important "because", because BRINCO have not, so far as I know to this moment, finally gotten their customers on the dotted line. That is to say Bowaters have not as yet signed up to take the power that was projected, that was discussed and formed part of the whole basis of the whole scheme.

And, furthermore, another of the prospective customers, i.e., the Newfoundland Light and Power Company, have signed since then. The original project was discussed and cut in half, i.e., the amount of power that they would propose to take from the Bay d'Espoir Development. So that, in the absence of the Bowater Company as a firm customer and the Newfoundland Light and Power Company constituting only half the customer envisaged and tentatively discussed and agreed on originally, BRINCO still have not got customers for all or anything like all of the 70,000 horse power. So that BRINCO themselves are not yet ready to ask the Newfoundland government to build that transmission line, because they would be asking us to build a transmission line that they don't need and they won't need except for the purpose of delivering the 70,000 horse power that would be developed in their plant, when they build it. As they have not got the customers yet, as of this moment (I doubt not that they will get them) they will not build the plant and we will not decide to build the transmission line, and the government of Canada will not be expected to lend the government of Newfoundland the money with which to build the transmission line.

Quite frankly, I was hoping my hon. friend would not have asked the question, or I was hoping no one would ask the question. I was hoping the matter would just lie low, with nothing said, until BRINCO are ready to come to the Newfoundland government. As of this moment they are not ready to come, and they have not as yet come to us with the formal request. Therefore, as we have not been requested to build a transmission line at a cost of \$7 million we have not accepted this offer of the Canadian Government to borrow from them the \$7 million at interest, to build the line. If BRINCO gets the customers for the 70,000 horse-power then they will ask us to build the transmission line, without a doubt. When they do, I will bring it before my colleagues and they will decide with me (jointly we will decide) whether or not we could come before this house and ask this house to grant the money, (because remember we have to borrow it, and that means we have to pay it back), whether we will ask this house, as a government, to build that transmission line for BRINCO.

ORDERS OF THE DAY

LEGISLATION:

Third Reading of a Bill, "An Act Further to Amend the School Attendance Act". On motion, Bill read a third time, ordered passed and title to be as on the Order Paper. Second Reading of a Bill, "An Act Relating to Historic Sites and Records".

Mr. A. M. Duffy (St. John's Centre): Mr. Speaker, I do not support the principle of this Bill because I do not see the point nor the wisdom of combining these two or three boards. The Museum Board and the Archives Board serve two entirely different and distinct purposes and the functions of each are entirely different.

The Museum Board, as I see it, is a Board to select objects of historical significance and to administer that particular operation for the purpose of the interest, if not curiosity, of the general public, whereas the Archives Board has certainly a more scholarly activity. It is designed, I take it, to collect and preserve public documents of importance and historic significance. In my opinion, in

the combination of these two Boards there is a danger of one or both of these important functions being neglected, or not being served in the best interest.

Now again, this Bill also proposed to select this Board by the Lieutenant-Governor in Council, which again I think is wrong. With both these Boards it seems to me the appointment, although made by the government, the selection of members should be from such bodies as the University and, of course, the Lieutenant-Governor in Council too, and should not be what might be termed a purely political appointment.

I understand there was a Digby Report made in 1955, at the request of the Government, which report made the suggestion that one of the members of that Museum Board be one of the judges of the Supreme Court. In other words, both these Boards should be not entirely in the hands of the government, not altogether, because it could be looked upon as just a political appointment. I think that other bodies would be in a position to suggest names and name people particularly well qualified. It is not a question of economy, since these boards are not paid but operate freely with public spirited citizens, it seems to there should be three, not two, boards, the Museum and Archives, and there should be enough public spirited citizens who are qualified and interested in these things to serve on these boards to the betterment of both. I think it is a mistake to combine the boards. I think it is a mistake too that the government should appoint the boards and also appoint the chairman.

Now there is an act governing the Archives in one of the Western Provinces, Saskatchewan, I believe, and I believe the board for the Archives there is selected by the University of Saskatchewan, two members, two by the Lieutenant-Governor in Council and one by the Legislative Librarian, which would seem to be proper and sensible. These are the only objections I have to the Bill at the moment, Mr. Speaker. As to the Archives Board, one of the important people in this particular job was the Archivist, and there is no mention in the Bill that he would be on the Board. It seems to me he would have to work very closely with that Board and would be an extremely valuable and necessary member of the Board. For these reasons surely, he should be a servant

of the Board, like the curator of the Museum. I think it would be proper to have him a member. That has been done on similar Boards. For that reason, Sir, I do not support the principle of the Bill.

Premier Smallwood: Mr. Speaker, before putting the motion I would like to say a word or two. We are extremely proud of this Bill, we are extravagantly proud of it. I personally am deeply satisfied because of the privilege I have to support this Bill and to be associated with it and with the administration that brings it in. There is an almost unbelievable statement, almost incredible. This is the first time in four and a half centuries of Newfoundland History, the first time that any organized attempt will have been made to face up squarely to a problem of historic sites and objects and records in Newfoundland. Who was it said you could judge a civilization by the way people treated their dead. I do not know whether that is true or not, but I do know that one way of judging a civilization is the tender care its people take of their historic objects and sites and records.

If so, then we have not been a very highly civilized people in Newfoundland. I am ashamed to say it, but 90% at least 90%, of the historical records of Newfoundland are not in Newfoundland. They are in England and in Rome and in Ireland and in Spain. I wish I were privileged to do something that I am not privileged to do, tell this house of an incident that happened very recently, where I discovered accidentally that a certain very valuable piece of Newfoundland data existed in a certain great, eternal city, and was able to interest a certain very distinguished person in the recovery of it for Newfoundland. I am happy to say that it has been recovered and is now in Newfoundland, to be passed over to the Archives Board. So 90% of all the historical records of Newfoundland are in England, and not only in London. In Ireland you will find for example (if we can find the man to make the search, you will find in Ireland) irreplaceable documents, historical documents affecting Newfoundland. You will find them in Portugal and in Spain and you will find them in Rome — 90% we have is scattered far and wide, far and wide. Every time there has been a fire in a rectory or parsonage or a priest's home in Newfoundland, priceless

and irreplaceable records of Newfoundland have been burned, records of births, marriages and deaths have disappeared, records which could not be replaced. We have been very careless about them, terribly, terribly careless. Our museum was brutalized by vandals -

Mr. Hollett: Hear! Hear!

Premier Smallwood: Who held high office. Brutalized. They had as much regard and affection and respect for our historic records, not as much as they had for the Polynesians, and they of our own blood. Here is an attempt to set up for the first time in our history a Board of non-paid citizens. This is a board on which Ottawa, I presume, will not particularly be determined to be represented. They will be all selected by the present government.

Mr. Hollett: Select them with loving care.

Premier Smallwood: With loving care — They will be men who are patriotic Newfoundlanders and who patriotically want to collect and preserve the historic records and objects. I heard mention a moment ago of the possibility of a member of the Supreme Court. Yes indeed! Why should not the Chief Justice be invited? And I prophesy here, if this Bill passes and this board is set up, the Chief Justice will be invited to honour that board with membership on it, because he is, I believe, at the moment the President of the Newfoundland Historical Society. This will be a Board lovingly chosen from amongst the people of Newfoundland because they are honestly and deeply and sincerely interested in collecting any historic objects, structures, records, monuments, historic sites, whatever they are, models, paintings, documents, books, papers, records, maps or any things which are considered to be of historical value and importance to or connected with the archaeology, ethnology, and social, economic and cultural development of Newfoundland. Now to try to break that down into two or three Boards, one board for the museum, one board for the historic sites, one board for historic records, as I submit, is superfluous and redundant. You would have them competing with each other as to whether objects should go in the museum or the

public archives or somewhere else and which board should do it.

Mr. A.M. Duffy (St. John's Centre): The Archives is very different from the Museum.

Premier Smallwood: Of course! And monuments are different from both! But why should not the one board have jurisdiction over everything recited in this particular clause, everything of a historic character? There is not so much of it that you need three different boards. One board is enough to collect, arrange, catalogue, recondition, preserve and exhibit to the public the things referred to a moment ago, to stimulate interest in the archaeology, ethnology and the history of the social and economic and cultural development of Newfoundland, and to co-operate with other bodies within and outside of Newfoundland or similar origin. Now, to suggest that this calls for three boards in a Province the size of Newfoundland is, I believe, surprising coming from the hon. gentleman who is, in virtually all matters, so practical and hardheaded a businessman.

Sir, the other purpose of this Bill, and the other principle is set forth in this regard — I want to serve notice now on the public — if this Bill passes this house and gets Royal Assent, if this becomes law — every Newfoundlander or anyone else in Newfoundland, every person living in Newfoundland who finds any object of historical importance, any site, any relic, for instance, Indian remains, cannon balls, cannons, old muskets, guns, very ancient fireplaces, grates and the like, old historic objects, in future is not allowed to do what we have all done, all of us who have found these things, grab them and take them home.

Mr. J.D. Higgins (St. John's East): What about retired politicians?

Mr. Smallwood: They all go in the museum. And they won't need to be seized. Some of them should be in before they are retired. When this Bill passes, anyone in Newfoundland who finds such an object must, under penalty, report the fact to the Board. If this becomes law, the mere fact that you have discovered it does not mean you own it. The title belongs in the Queen, in the public, in

this Board. Someone must discover those things, I suppose. What is discovered after this becomes law is affected as well as what you discovered last week or 10 years ago. I myself have a remarkable collection, quite a remarkable collection of Terra Novian objects of great and absorbing interest historically, which I intend (all the whole collection) to present to the people of Newfoundland after I have satisfied myself looking at them and enjoying them. But, Sir, after this Bill becomes law I will have no choice; anything I find after this I have to notify the Board and they get the title to it.

Another thing: When this becomes law no one is allowed to take out of Newfoundland any historic object. No one. They have that in other parts of the world, in other Provinces of Canada. That is overdue now. I propose that we pass this Bill and that the government, as soon as may be, after consulting with the University, the Chief Justice, the present members of the Archives Board, the Trustees of the Museum, consulting with all kinds of interests, we then nominate and appoint a new Board, representative of the public but consisting exclusively of men deeply imbued with a love of Newfoundland, with a desire to save these historic relics and objects and records for the coming generations of Newfoundland. I do hope that the opposition can see the wisdom of this legislation and will support it.

Mr. Renouf: Mr. Speaker, may I have a brief word — I would say in relation to this Bill that, had we had the foresight a century ago to —

Mr. Higgins: A Smallwood a century ago?

Mr. Renouf: To put through such a measure, the land would be much richer in the relics which have since been lost. I think myself that the collection and assembly of what remains and what is yet to be found will not only enrich our home culture and help the coming generations of young Newfoundlanders to hold fast to the best traditions of the past but, I think too, will have some practical effect in drawing to our shores yet more people who are becoming increasingly interested in the historical background of the several Provinces of Canada. I think we could make the others

pale into insignificance if imagination can be put into the promotion of an activity under a Bill such as this. With very little to go on and a comparatively insipid history, Nova Scotia has been able to build a bit of glamour around a few items, as you drive through the Province. In spite of the financial outlay this Bill may envisage, I feel that I, myself, must gladly support it even to the extent that, should we need to pinch and scrape the money from other directions, we should put it into a scheme of this sort. I do not want to elaborate but this topic gives me a very great glow of warmth, and I do hope that the government will pursue it with enthusiasm, in which I am sure they will get a lead from the hon. the Premier. I too am going to beat the Premier to the punch to a little degree. He said that he is going to donate a few items to the museum when he becomes satisfied with them. I think as soon as the doors open I will donate one or two items, including a souvenir of the Beothic, Shanawdithit. I have a very large portion of a plaited braid of Shanawdithit's hair, together with a collection of very beautiful samples of her handwork. In all the history books it is recorded that she was very artistic. I think, Sir, just to show my support I will donate my little bit just as soon as the doors open.

Hon. J.R. Smallwood (Premier): Hear! Hear!

(Applause from the Government side)

On motion, Bill read a second time, ordered referred to a Committee of the Whole House presently, by leave.

MEMBERS' PENSIONS:

Second Reading of a Bill, "An Act to Provide for the Establishment of an Insurance Fund to Provide a Contributory Pension Plan for Members of the House of Assembly with Long Service".

Premier Smallwood: Mr. Speaker, I was disappointed to find on the radio broadcasts last night, and today in the newspapers little or no reference to this Bill. The Bill has been brought into the house in this present session so that our friends of the press and radio, if they were kind enough, would acquaint the people of Newfoundland of the

proposal, because what we want is to know what the people, the general public of Newfoundland, wish us to do in the matter. Now, when I say the general public, I do not mean any special or particular organization, and least of all do I mean any so-called political outfit masquerading as something else. I mean the general public, our masters, the men and women, the electorate of Newfoundland. And, Sir, next year when the House meets again we will, I hope, know what the people, the general public of Newfoundland, think about it and feel about it.

Six Provinces of Canada out of the 10 have seen fit in recent years to introduce contributory pensions schemes for their members — contributory — that is to say a scheme under which the elected members of the house pay a proportion, a percentage of their sessional indemnity each year into a fund, which the government matches and in some Provinces more than matches, but no province does any less than match it, and some provinces much more than match the contributions of the members. And from that fund, members who have served for 10 sessions (at least 10 sessions) are entitled to draw a pension but not until they are 55 years of age. They cannot draw it just because they have served the 10 sessions, as they can do in the House of Commons. In the House of Commons when they have served their 10 terms they draw the pension regardless of their age. And they do so if they are defeated in a general election or if they retire from politics; regardless of their age they draw the pension in the House of Commons. But we do not suggest that. We suggest that a member must serve at least 10 sessions and be at least 55 years old if he goes out after serving his 10 sessions. If he is still not 55 he has to wait until he is before he draws the pension.

Now, we brought this Bill in here and proposed second reading to it, not with a view to voting on it and giving it second reading. We are not going to give it second reading. Mr. Speaker, if the house will accept my suggestion we will defer second reading and at the next session bring the bill in to be passed into law, if in the meanwhile, if between now and then the general public of Newfoundland says that they want their members to be treated the same as members all across Canada.

Hon. M.M. Hollett (Leader of the Opposition): What opportunity do they get to express themselves?

Premier Smallwood: They will do it by letters to the newspapers, in conversations, by means of telephone calls. They will do it by means of letters written to my hon. friend, the Leader of the Opposition.

Mr. Hollett: Postcards?

Premier Smallwood: If it is done by postcards I am afraid we will get a very small idea of what the public thinks about it, if that is how it is done. But, Sir, I have no doubt but that my hon. friend will receive at least 1000 times more letters on this subject than he has received postcards from a certain source. And, Sir, I expect to receive a couple of thousand times more, maybe 3000 times more, and that would not give me an awful lot of letters. That might give me 4000 or 5000 letters.

Mr. Hollett: I will receive one.

Premier Smallwood: You mean the hon. Leader of the Opposition has not received one card?

Mr. Hollett: Not one. They probably don't know my address.

Premier Smallwood: And the hon. member?

Mr. J.D. Higgins (St. John's East): Three postcards.

Premier Smallwood: And my hon. and learned friend from St. John's South?

Mr. G.R. Renouf (St. John's South): I have not opened all my mail but I think I rank with the other three.

Premier Smallwood: And the hon. member for St. John's Centre received two cards. So that the whole of the opposition, up to now, in this mighty postcard crusade, this mighty popular move, the whole of the opposition so far have received seven cards, the whole of the opposition between them, seven cards. Now I received as many as that myself, that and one more. I have received

eight postcards in all Newfoundland. I have checked with the House of Assembly and all the members of the house have received one card.

Hon. Dr. J. McGrath (Minister of Health): I received one card that said, "God Bless Joey".

Mr. J.D. O'Driscoll (Bell Island): I am due to receive 3000 according to the "Evening Telegram".

Premier Smallwood: I don't believe it. The "Telegram" has been misinformed. I doubt that 3000 from Bell Island signed any such cards. I doubt it. As much as I doubt anything I doubt that. So 35 members of the house, between us, all have not received 1000 cards nor anything like it. A couple of hundred my hon. friend, the Attorney General says. He may be right, but I know there were far less than 1000 cards. Now, half of my postcards had the word "not" inserted. The postcard is printed on the back and says: "I am in favour of" that is the printed words, but they have written in the word "not" making it "I am not in favour of" so and so, changing the meaning of the card altogether. I would say that this postcard campaign by the Federation of Labour is the biggest flop, the biggest and most glorious flop in the recent history of Newfoundland, as great a flop as the "IWA" strike.

Mr. Hollett: Fit for the Archives.

Premier Smallwood: A tremendous flop.

Mr. Speaker: Order! I hate to interrupt the Premier — everybody is so happy, but I think we are getting away from the subject under discussion.

Premier Smallwood: I don't think so. I say we are not going to give this Bill second reading at this session. I am speaking to it and suggesting that we do not give it second reading and explaining why it is brought in and explaining what the procedure is to be, i.e., if the public reacts favourably we will bring it in next session and if not we won't. I was then, at that moment, addressing myself to the question as to how will the public make its feelings known, and I was showing one way wherein they could not make their

feelings known, this ridiculous postcard campaign. That would be just another great flop.

Now, I will say this. I will have no doubt in my mind, when the next session is called, as to how the public feels about it. I will have no doubt in my mind, and I am quite confident the Leader of the Opposition will have no doubt in his mind. If it is the sentiment of the Newfoundland people that we ought not to do this, we will not. If it is their sentiment that we should get what legislatures get all across Canada, we will know and act accordingly. Meanwhile, I would suggest that we appoint a Select Committee to consider this whole matter and to receive representations from the public between this session and the next, i.e. in the next eight or 10 months or whatever it may be. I would seek your advice, Your Honour, as to the best way to proceed now. Will I move that the Bill be stricken from the Order Paper, or will I move on the contrary that, with this motion before the chair, that this Bill be read a second time, can I move another motion or must we first dispose of the motion before the chair, the motion for second reading?

Mr. Speaker: I suggest we merely make an amendment saying that the word "not" be inserted — "that this bill be not read a second time". Then the Premier can move that a Select Committee of the house be appointed, after that motion is carried:

Premier Smallwood: In other words the motion is that this Bill be "not" now read a second time? If that motion is put and carried then, at what stage would I move the appointment of the Select Committee.

Mr. Speaker: Immediately after, by leave of the house. Motion, that the word "not" do form part of the question, carried:

Premier Smallwood: Mr. Speaker, I now move that a Select Committee of the house be appointed, with authority to sit out of session. I think that must be added: "with authority to sit out of session", and to consider this matter, to take evidence, to hear representations, and to report back to the house at the next session, and that the membership of this Committee be left to

Your Honour to make, and that Your Honour be pleased to name the committee before the prorogation of the present session.

Mr. Speaker: The motion is that a Select Committee of this house be set up to deal with this Bill, and to report back to the house at the next session.

Motion carried:

Mr. Speaker: If the house is ready I can name the committee right now?

The hon. the Premier, the Hon. Leader of the Opposition, the Attorney General, the Minister of Finance, the Solicitor General, the member for St. John's East, the hon. member for Placentia West, the Deputy Speaker and the Speaker as Chairman.

Mr. Speaker: The Clerk will so record this committee:

On motion, the house recessed for 10 minutes after which Mr. Speaker returned to the Chair.

SUPPLEMENTARY SUPPLY:

Hon. the Minister of Finance to move the house into a Committee of the Whole to Consider Certain Resolutions in Relation to the Granting of Supplementary Supply to Her Majesty.

On motion Mr. Speaker left the Chair:

Mr. Clarke (Chairman of Committee of Supply):

Hon. E.S. Spencer (Minister of Finance): Mr. Chairman, in connection with this Bill for supplementary supply, notice of which was given yesterday afternoon, I merely want to make one or two brief explanations to the Committee, and I want to assure the Committee I have no intention of going into a rather lengthy detail nor breakdown of the various sub-heads. I would merely point out that this supplementary estimate is in the exact amount of the Special Warrant of February 20 last, which, in accordance with the provisions of the Revenue and Audit Act, was tabled this house for information during the early days of this session. The purpose of this Bill now is merely to seek the necessary authority conveyed by that Special Warrant by means of a Supplementary Supply Act, with the assent of the house. These amounts are set forth in toto in the

Bill before the Committee under the different headings. I have, if necessary, Mr. Chairman, these items broken down for any of these sub-heads the committee may require.

Mr. Hollett: Mr. Chairman, may I ask a question? Take, for instance, Public Welfare, \$3,000,800 — Does this mean the Department of Public Welfare spent \$3,000,800 over and above the amount of \$12,469,000 which was voted last year? Also in connection with Highways, where some \$16,000,000 practically, was voted altogether: Does that mean that \$2,250,000 more was spent?

Mr. Spencer: Despite my statement, perhaps the hon. Leader of the Opposition and the Committee may not have understood. It is not in addition to previous amounts.

Mr. Hollett: That is this fiscal year?

Mr. Spencer: That is right; up to the 31st of March. The financial year that ended the 31st of March past. This is supplementary and not interim; supplementary (in addition to) the supply granted Her Majesty in the last session of the house.

Mr. Hollett: That is the very point of the question I asked. Take Highways, for instance — last year we granted supply of nearly \$6,000,000 on current account and granted supply of nearly \$11,000,000 for Highways, on capital account. That is practically \$16,000,000. Now this \$2,250,000 I understand, is in addition to that?

Premier Smallwood: In view of the fact that the hon. Minister of Finance is about to bring down his budget a week from tomorrow, I don't think it is fair for any of us to ask him to anticipate his budget. In bringing in this budget, in his budget speech, he will be giving a complete account of the finances of the year just passed, accounting for everything, all departments. This is a request for supplementary supply in respect of last year. This is part of the whole picture which he will present in his budget speech, the whole picture of last year. It is so close to budget time it is hardly fair to ask —

Mr. Hollett: What is the point of bringing it in if we cannot ask questions on it?

Premier Smallwood: It is not a question of not asking questions.

Mr. Hollett: We are in Committee of the Whole, Mr. Chairman, and I think it is quite fair to ask questions.

Premier Smallwood: It is not fair to ask a minister to say now what he can much more properly say and at much greater length and by way of a much clearer explanation in his budget speech. If the budget speech were a month or five or six weeks off and not one week —

Mr. Hollett: This is in reference to this fiscal year?

Premier Smallwood: No, last year.

Mr. Hollett: The only information I wanted was whether these various supplementary supplies asked now were in addition to the funds granted last year?

Premier Smallwood: If they were not, authority would not be sought now.

Mr. Hollett: Is that an answer to the question?

On motion, Resolutions carried:

On motion, that the Committee rise and report having passed these Resolutions, Mr. Speaker returned to the Chair:

Mr. Clarke: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and directed me to report having passed certain Resolutions, and request that a Bill be brought in giving effect to same:

On motion Resolutions read a first time. On motion Resolutions read a second time.

On motion Bill read a first time. On motion Bill read a second time.

On motion Bill read a first time, ordered passed and title to be as on the Order Paper.

Mr. Spencer: Mr. Speaker, by leave of the house, I have a Notice of Motion to make which would more properly have been given at the opening of the session.

Mr. Speaker: Is it agreed that the minister of Finance be allowed now to give notice of motion.

Agreed.

Mr. Spencer: I give notice I will on tomorrow move the house into a committee of Ways and Means. I give further notice that I will ask leave to move the house into Committee of Supply.

LEGISLATION: (COMMITTEE):

Motion, that the house go into Committee of the Whole on various Bills.

Mr. Speaker: Before leaving the Chair, in order to avoid confusion I think I might remind the hon. members that there is an error in the Order Paper. All of the Bills from Order No. 10 down to No. 22 inclusive are not second readings but are all for Committee of the Whole. They were read a second time yesterday. They are now all in Committee of the Whole.

Mr. Speaker left the Chair;

Mr. Clarke, Chairman of Committee of the Whole.

Committee of the Whole on Bill, "An Act Further to Amend the City of St. John's Act".

Mr. L.R. Curtis (Attorney General): In this case, Mr. Chairman, there are no further amendments, so I move the Committee report the Bill passed with some amendments. Motion, that the Committee report having this Bill with some amendments, carried; Committee of the Whole on Bill, "An Act to Provide for the Construction of Additional Buildings and Improvements for the use of the Memorial University of Newfoundland".

Mr. Curtis: Mr. Chairman, I move the Committee reports this Bill, as amended: Motion, that the Committee report having passed this Bill with some amendments, carried:

Committee of the Whole on Bill, "An Act Further to Amend the Automobile Insurance Act".

Mr. Curtis: Mr. Chairman, that section could be reported and the Bill passed without amendment.

Motion, that the Committee report having passed this Bill without amendment, carried.

Committee of the Whole on Bill, "An Act Further to Amend the Companies Act".

Mr. Curtis: Mr. Chairman, I move that this Bill be reported passed without amendment.

Motion, that the Committee report having passed this Bill without amendment, carried.

Committee of the Whole on Bill, "An Act Further to Amend the Education Act".

Motion, that the Committee report having passed this Bill without amendment, carried.

Committee of the Whole on Bill, "An Act to Amend the Vocational Education Act".

Motion, that the Committee report having passed this Bill with some amendment, carried.

Committee of the Whole on Bill, "An Act to Authorize the Government of Newfoundland to Enter Into an Agreement with McNamara Construction of Newfoundland Limited and Canadian Machinery and Industry Construction Limited".

Motion, that the Committee report having passed this Bill with some amendment, carried.

Committee of the Whole on Bill, "An Act Further to Amend the Summary Jurisdiction Act".

Mr. Curtis: Mr. Chairman, I move that we recommend to the House that this Bill be referred to a Select Committee consisting of all the lawyers in the house. I would further make the stipulation that any of the ex-magistrates in the house who would like to sit in could do so. I move that this Bill be referred to a Select Committee of the lawyers of the house.

Motion carried.

Committee of the Whole on Bill, "An Act to Amend the Conditional Sales Act".

Hon. M.P. Murray (Minister of Provincial Affairs): Mr. Chairman, there are some features in this Bill on which there seems to be quite a divergence of opinion amongst the general public; the provision about the disposal of repossessed goods. I have had telephone calls very much for, and others very much against. So, Sir, I would suggest that

when this other Committee suggested by the hon. the Attorney General is formed that this Bill be referred to that Committee also. Perhaps, Sir, when the Committee is appointed, they might accept opinions from the general public and advertise that they would be prepared to accept representations.

Mr. J.D. Higgins (St. John's East): I remember we did that once with the "Shops Act".

Mr. Murray: This is the disposal of repossessed goods such as motor cars. The proposed amendment says "by public auction or private sale and the vendor would be entitled to bid".

Mr. Higgins: The vendor sets his own price and then bids.

Mr. Murray: There are features, as I said — yes.

Motion, that this Bill be recommended for reference to a Select Committee, carried; Committee of the Whole on Bill, "An Act to Amend the Expropriation Act, 1957".

Mr. Curtis: There is a blank in Clause (5); Mr. Chairman. I would move the clerk be instructed to fill in the correct number of that Act. We don't know the number at the moment. We know the Bill but do not know the Act number.

Motion, that the Committee report having passed this Bill without amendment, carried;

Committee of the Whole on Bill, "An Act to Repeal the Fire Loss Returns Act".

Motion, that the Committee report having passed this Bill without amendment, carried;

Committee of the Whole on Bill, "An Act to Amend the Local Roads Board Act".

Motion, that the Committee report having passed this Bill without amendment, carried.

Committee of the Whole on Bill, "An Act Further to Amend the Highways Traffic Act".

Mr. Eric Jones (Burin): Clause (4), in the sub-section to the sub-section, I wonder if the Minister could explain the meaning of

the interpretation of the word "misconduct"?

Hon. Dr. F.W. Rowe (Minister of Highways): I have been given to understand by the department that is an interpretation to cover certain cases which do not come before the court, where the court does not have the power or does not use its power to cancel the licence in cases of that kind. In cases of that kind, the minister still has the power. This is designed to validate any action that the minister might take in respect of cases which would not appear in court yet should prevent a man from getting a licence. For instance in case of a man suffering from frequent epileptic seizures demanding a licence. We have referred it to the department of Health — In this particular case, if he comes back we will say that under no circumstances should that man be given a licence because he will become a menace to the public. The minister then under this Bill has the power to refuse him a licence or even to cancel it if it has already been given when it should not have been given. That is the reason behind that. In other words, it is not new in the Act at all. It has been in all along, but this is more or less validating what has been done and strengthening the minister's hand in certain of the more obscure cases where a judge has not or may not have the power.

Hon. M.M. Hollett (Leader of the Opposition): What is the section in the original act?

Mr. Rowe: Section 38.

Mr. Curtis: I will read the original — "The Minister may suspend or cancel, as he sees fit, a driver's licence for misconduct or serious violations of this Act or regulations by the licensee or upon being satisfied of the unfitness, physical or otherwise, of the licensee, or any other reason appearing to the minister to be sufficient.

(2) Subject to subsection (3), the minister shall suspend or cancel the driver's licence.

(a) of a person who has obtained the licence as the result of perjury or the making of a false affidavit or statement to the department or who has been convicted of an offence under subsection (1) or (2) of Section 221, Section 226 of Section 281

of the Criminal Code, for a period of not less than

(i) three months in the case of a first conviction, and

(ii) six months in the case of a second or subsequent conviction within a period of two years;

(b) of a person who has been convicted of an offence under Section (223) or subsection (3) of Section (225) of the Criminal Code or of any other offence under the Criminal Code which involves the use of a motor vehicle or in the commission of which a motor vehicle was used, for a period of not less than

(i) six months in the case of first conviction, and

(ii) twelve months in the case of a second or subsequent conviction within a period of two years; and

(c) of a person who has been convicted of an offence under Section (192, 193) or (222) of the Criminal Code, for a period of not less than

(i) twelve months in the case of a first conviction, and

(ii) eighteen months in the case of a second or subsequent conviction within a period of two years.

(3) Where a person has been convicted of an offence under the Criminal Code and the Court which convicted him has prohibited him from driving a motor vehicle on a highway in Canada, the minister shall suspend or cancel the driver's licence of that person for a period of not less than the period for which the Court has so prohibited him from driving.

(4) Subject to subsection (5), the suspension or cancellation of a driver's licence under subsection (2) or (3) has effect from the date of the respective conviction.

(5) Where a driver's licence has been suspended or cancelled and during the period of suspension or cancellation the person whose licence was cancelled or suspended obtains a licence as the result of perjury or the making of a false affidavit or statement to the department or is convicted of any of the offences referred to in subsection (2) the further period of suspension or cancellation imposed under that subsection shall begin after the expiration of the previous period of suspension or cancellation.

(6) Where a licence which has been sus-

pending or cancelled expires before the period of suspension or cancellation expires, a driver's licence shall not be issued to the person whose licence was suspended or cancelled until after the expiration of the period of suspension or cancellation.

- (7) The minister may delegate to any person all or any of the powers or duties conferred or imposed upon him under subsection (2) or (3)".

Mr. Rowe: There is no change.

Mr. Hollett: That is exactly the same as in this section here now.

Hon. L.R. Curtis (Attorney General): The only thing is, it is a much longer section and goes into much more detail.

Mr. Higgins: Mr. Chairman, I am quite familiar with the section there because very frequently under Section (222) or 223) it is obligatory on the magistrate on a conviction for drunken driving that he must take the licence; under Section (223) he does not have to take the licence. In Newfoundland, certainly in the last few years, it has been in practice but there are still magistrates who don't feel themselves bound to do so. In that event, the minister can do it. Now it has been extended to Section (221), in failure to remain at the scene of an accident. The magistrate quite frequently does not suspend the licence but imposes a fine. I assume from the minister's comments on the matter that in the opinion of his department a man who is a reckless driver or leaves the scene of an accident is just as much an offender as the man who may be drunk behind the wheel of his car.

Mr. Curtis: He is not fit to have a licence anyway.

Mr. Higgins: Peculiarly enough, the suspension here is for three months. I wonder why three months instead of six months. The man who is convicted of drunken driving or impaired driving loses his for twelve months. For reckless driving or for leaving the scene of an accident he is not liable to lose more than three months. You might have a man go out the road and have a serious accident, without killing anyone,

and go on, and he is only liable to lose his licence for three months. People are wondering why the very mild period of suspension.

Mr. Curtis: A hit-and-run driver might just scratch a vehicle. I suppose there should be some discretion in that case, where there is a minimum amount of damage.

Mr. Higgins: I beg your pardon! That is perfectly right.

Mr. Curtis: It may be a petty thing, or he may not know of it.

Mr. Higgins: If he satisfied the court he did not know he would not be convicted.

Mr. Rowe: The point I want understood is that the principle of cancellation is not new. It has been in the Act right along. I would not for one minute recommend to the government nor to this house — this simply sets out the policy which was there before.

Mr. Curtis: And spells it out.

Mr. Higgins: That other business about physical illness — I recall his suing the minister of Public Utilities.

Mr. Curtis: Yes, he made history. He certainly received no money for it.

Mr. Claude Sheppard (Harbour Grace): Mr. Chairman, I am very glad the minister made the explanation he has. I must say I do not entirely agree with it. I do not agree with the principle of sub-section (4) — in that in many cases you have a person appear before court and the court hears all of the evidence, and in view of what might appear to the court to be extenuating circumstances the court sets a definite period of cancellation for that man's licence. The person involved is happy that he has had the occasion to be tired — probably not happy because he has been convicted but at least he feels prepared to pay his debt to society. But then, to be faced probably some months later, probably a month or two afterwards, with an order from the Registrar of Motor Vehicles saying you will deliver your licence and your plates, and your licence is cancelled for a period of six months. Now in my

opinion, if that is done without any hearing, the man has no right under this Act to be heard by the minister. Further than that, he has, under this Act, no right of appeal, having been convicted first of all in the court. The minister has authority under this Act to increase what was considered by a court to be a fair punishment. I myself cannot go along with that principle anymore than I could go along with the principle when I was in the position of cancelling licences. Further than that, this whole situation, while it might obtain in the previous Act, and I know it did, in my opinion that does not make it right. I know that the minister must be given the authority under sub-section (1) of this section (4) to cancel drivers licences for unfitness physical or otherwise. Now if you read on a bit further you will see that it goes a bit deeper even than conviction — subject to sub-section (3) the minister shall suspend or cancel a drivers licence — and sub-section (3) says what is already said in the Criminal Code, that for certain offences the court has no choice in the matter but to suspend the licence. The point I am trying to make, Mr. Chairman, and I think rather badly, is that if a court, having heard all the evidence and having weighed the evidence and having come to a conclusion in the matter, rules that a person shall lose his licence for three months or six months that should be the end of it except by way of appeal to a higher court. I don't think the minister should have the authority here to act as a higher court in which the person has no right of appeal. Now there is probably a very good answer to it, but I just cannot see and never have seen it.

Hon. F. W. Rowe (Minister of Highways): I am afraid I am in much the same position. In one regard I wish it were not there. I am told it is in the Act in Newfoundland for a great many years and every department of Highways throughout Canada has similar legislation. They say it would have been impossible to administer any highways procedure to control traffic and control the whole business of driving on our highways without some such legislation. Again I must repeat: This does not introduce any new principle to the house. It is here. It was done years ago. It is in every Act across Canada. It is there. We are not introducing anything new here now. There is nothing new here now at

all. All we do is try to bring that power a little more under control, to specify. I don't know what the answer to it is. I have suggested from time to time myself that the whole thing should be abolished, but I am told the result would be complete anarchy.

Mr. Hollett: Are we going to discount magistrates and magistrates' decisions and say: "Whatever that blinking fool does there on that bench" — I agree entirely with my hon. friend from the district of Harbour Grace. I think it is ridiculous whether it was in the old Act or not. Surely the magistrate who hears the evidence from the RCMP, the police and others, when he in his wisdom comes to a decision his decision is firm and binding until appealed by the higher court. It is not fair to the minister in the first place. The magistrate says a driver loses his licence for three months and the minister says it is six months. I don't think that is sensible. I agree entirely with my hon. friend from Harbour Grace.

Mr. Curtis: There is a difference, Mr. Chairman, between a licence which is cancelled by the minister and a licence cancelled by the courts. When the court cancels a licence that licence is cancelled under the Criminal Code and is effective throughout all Canada whereas we only take it away as far as Newfoundland is concerned.

Mr. Higgins: The court can do it under certain sections of the Newfoundland Traffic Act.

Mr. Curtis: I think the magistrate ought to thank God he has an excuse to get out. No magistrate likes to take away a licence, and the department I represent is petitioned after every licence is taken asking to "please give back my licence". They even write Ottawa to give it back. I think if a man is drunk in charge of a car and loses his licence, it should not be any question of one month or two months or six weeks. It should be spelled out in the Act and would relieve the magistrates from the irritation of having to take a licence from his own friends and be subject to the charge that he was easier on one and harder on another. I think it is better to have a standard rule there. I mean, nobody wants to take away a man's licence. Nobody — likes to have to do a thing like

that when you know who the party is. To lay down in the law that if a man is drunk he loses his licence for six months, and that is that — I am talking now only about drunks in charge of a car, or impaired driving.

Mr. Higgins: But sub-section (2) refers to anybody convicted — a man could be convicted of failing to remain at the scene of an accident. This is subject to sub-section (3) "The minister shall cancel the drivers licence of a man who has been convicted of an offence under (1) or (2) of Section (221)". That is commonly known as "Hit and Run". As the Attorney General himself pointed out, a hit and run might be petty. That is not a matter of "may" but "he shall".

Mr. Curtis: Yes, I wonder if this section might as well be referred to this Committee that we have, the legal committee. There is no urgency about putting the Bill through today. I would hope we would have the Committee appointed and they would meet on Monday and perhaps this section might be reserved and perhaps we might leave the whole Bill to that Committee.

Mr. Rowe: Mr. Chairman, I am quite happy to have that done. As I think the hon. the Attorney General will recall, I suggested that very thing yesterday. Before that has been done I think I should point this out, in case the Committee does consider. The reason, I am told, that this Act was brought in years ago in Newfoundland was to try to get some greater control over the menace of drunken driving. And indeed, all across Canada, they have tried to put more teeth into it because of the fact there are such tremendous variations as between judgements. You have 50 magistrates. One will convict a man for drunken driving, cancel his licence on conviction. You have just as many variations in the administration of that law as there are magistrates and even, in fact, their decisions. I am not saying they are wrong but merely that it existed. A few years ago there was a tremendous increase in accidents resulting from drunken driving. That is one of the ways we in Newfoundland tried to deal with it as well as elsewhere in Canada; to try and get some measure of control over the problem on the highways today. I think that the Attorney General's suggestion that we refer it to the

Select Committee is a good one. There is really no rush. I should point out that if this amendment here is thrown out by the Committee we still have the principle there, and if it is there, speaking personally, speaking as the minister, I would much prefer to have this amendment. At least it does give the minister a little more, shall I say guidance, in trying to administer that section of the Act.

Mr. Hollett: It gives you no discretion at all. For the magistrate, the minister, the judge, the jury, the court, everything else, it is "shall".

Mr. Higgins: I think we might well examine that thing.

Mr. Nightingale: Regarding this situation my hon. friend is talking about, I consider reckless driving just as dangerous as impaired or drunken drivers. A lot of people driving over the highroads today are absolutely crazy. They won't follow the white lines, cut in on corners, do everything wrong. Such a driver is just as guilty as the man who is drunk.

Mr. Higgins: Hear! Hear!

Mr. Nightingale: I think that section should stay in.

Mr. Hollett: That is the very reason there is a judge and jury. I think one thing and somebody else something else, but there is a judge and jury.

Mr. Curtis: I am interested in those rights, and those who are responsible for the law have a right to award the penalties. That is why we should insist that these rules be strict and carried out. There is too much drunken driving in Newfoundland, when on Monday morning you find two or three arrested over the weekend for drunken driving — it is too much.

Mr. Higgins: It is covered by the provision of the Criminal Code. What I am more interested and more concerned about is the point raised by the Attorney General himself, the difference in degrees where people might be convicted for failing to remain at the scene of an accident.

Mr. Curtis: That is a point — But I do think, as Attorney General, there is far too much drunken driving in Newfoundland and if it does not stop the streets won't be safe for pedestrians, nor drivers to drive on.

Mr. Higgins: Don't look at me. I am not selling the stuff.

Mr. Curtis: I look at you because you get most of them off.

Mr. Chairman, I move the whole Bill be referred to the Select Committee.

Motion, that this Bill be referred to a Select Committee, carried;

Committee of the Whole on Bill, "An Act to Amend the Workmen's Compensation Act".

Motion, that the Committee report having passed this Bill without amendment, carried:

Committee of the Whole on Bill, "An Act to Amend the Loan Act, 1958, Assented to on the Tenth Day of September, 1958, and to Validate Certain Debentures of the Province".

Motion, that the Committee report having passed this Bill without amendment, carried:

Committee of the Whole on Bill, "An Act Further to Amend the Civil Service Act".

Motion, that the Committee report having passed this Bill without amendment, carried.

Committee of the Whole on Bill, "An Act Further to Amend the Local Authority Guarantee Act, 1957".

Mr. Curtis: That Bill has been read. I move the committee report this Bill without amendment.

Motion, that the Committee report having passed this Bill without amendment, carried:

Committee of the Whole on Bill, "An Act Further to Amend the Revenue and Audit Act".

Motion, that the Committee report having passed this Bill without amendment, carried:

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

Mr. Clarke: Mr. Speaker, the Committee of the Whole have considered the matters to

them referred and have directed me to report the following Bills without amendment. Bills Nos. (19), (58), (63), (67), (68), (69), (71), (72), (74), (75) and (80).

On motion, report received, Bills ordered read a third time on tomorrow.

Mr. Clarke: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report the following Bills with some amendments. Nos. (49), (78), (64), (55).

On motion, report received, Bills ordered read a third time on tomorrow.

Mr. Clarke: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to recommend that the following Bills be referred to a Select Committee, Bills Nos. (56), (66) and (70).

Mr. Curtis: Mr. Speaker, the Committee moved that on the Summary Jurisdiction Act, the Conditional Sales Act and the Highroads Act, a Committee be set up consisting of the lawyers in the house and the ex-magistrates be invited to come along. Otherwise, the Committee might be too bulky because there are nine lawyers in the house and the ex-magistrates total another five at least.

Mr. Hollett: Just leave it to the lawyers.

Mr. Curtis: I would like to feel the magistrates could be free to come.

Premier Smallwood: And some members are law students.

Mr. Speaker: I might say that when a Select Committee of this kind is set up, any member of the house can appear before such Committee. That is the usual procedure.

Mr. Curtis: Then, the ex-magistrates are especially invited. But Mr. Speaker, I understand a Select Committee cannot meet for two weeks. We would like to have permission to have this Select Committee meet on Monday next here at 4 P.M. in this chamber.

Hon. F.W. Rowe (Minister of Highways): In

connection with the motion made by the hon. the Attorney General, in as far as it applies to Bill No. 70, I would like to offer to that Committee, when set up, all the facilities of the department of Highways, because this Bill is rather complicated in some respects, and I would like them to feel free to call on any of the resources of the department, particularly the senior officers, the Directors of Traffic and the Assistant Deputy Minister, because there might well be implications which might escape the Committee's notice and could be drawn to their attention.

Motion, that Bills Nos. (56), (66) and (70) be referred to a Select Committee consisting of all the members of the House who are lawyers, carried;

On motion, and by leave of the house, this Committee is permitted to waive the usual period of two weeks before meeting and to meet on Monday next here at 4 P.M. carried.

Mr. Speaker: The ex-magistrates are in particular asked to attend this meeting, and of course the Minister of Highways or any of his officials can appear before it.

Hon. J.R. Smallwood (Premier): Well they would certainly invite them as they would need to have them. Mr. Speaker, I move the remaining orders of the day do stand deferred and that the house at its rising do adjourn until tomorrow Thursday of next week at three o'clock.

My colleague, the minister of Finance has asked me to say in his behalf that in giving notice today of moving the house into Committee of the Whole on Ways and Means and a Committee of the Whole on Supply he was performing the traditional function of announcing that he would bring down his budget, and that would be on Thursday. So that when the house reassembles on Thursday of next week it will be from the purpose of hearing the budget brought down.

My hope would be that following the custom, of course, the house will adjourn, following the budget for the remainder of that day. Indeed the minister of Finance traditionally plays host to the members of the house on that day, so that on Friday the house would go forward with the Estimates and on Monday be ready to proceed with the Debate on the Budget, and at the same

time go forward with the Estimates, with the house therefore, taking all the time it would possibly want, unless every member wants to make a speech (and it is each one's right, of course, to do so) possibly with the budget coming down on Thursday we might agree, as that would bring us up towards the end of June and the summer should begin then to be somewhere in sight, by the end of June we might aim at completing the debate on the estimates and the budget, so that, by the end of the week after next, if we commence the debate on Friday of next week, bringing the budget down on Thursday, have the debate on Friday and resume it on Monday and aim at completing it in one week. If not, of course, we can always go on into the second week — We might have night sessions, if the house is agreeable, and try to get through.

Mr. Hollett: We will be here until August.

Premier Smallwood: We will be here as long as necessary in the public interest. I don't think we would want to be here a moment longer. Hope springs eternal in the human breast and we can hope to have a summer sometime before the year is over. On motion, all remaining Orders of the day do stand deferred and the house at its rising adjourned until tomorrow, Thursday, June 25th. at three o'clock.

June 25, 1959, Thursday,

(Afternoon Session)

The house met at 3 o'clock.

Mr. Speaker in the Chair.

PRESENTING REPORTS OF

STANDING AND

SELECT COMMITTEES:

Hon. L.R. Curtis (Attorney General): Mr. Speaker, I beg leave to table the report of the Select Committee appointed to consider the Summary Jurisdiction Act; A Bill, "An Act Further To Amend the Highway Traffic Act", and a Bill, "An Act to Amend the

Conditional Sales Act". I ask that this report be tabled and referred to the Committee in due course.

On motion report received, for reference to the Committee of the Whole.

NOTICE OF MOTION:

Mr. Curtis: Mr. Speaker, I give notice I will on tomorrow ask leave to introduce a Bill, "An Act Further to Amend the Public Utilities Act".

ORDERS OF THE DAY:

Third Reading of the following Bills:

A Bill, "An Act Further To Amend the City of St. John's Act".

A Bill, "An Act to Provide for the Construction of Additional Buildings and Improvements for use of the Memorial University of Newfoundland".

A Bill, "An Act Further to Amend the Automobile Insurance Act".

A Bill, "An Act Further to Amend the Companies Act".

A Bill, "An Act Further to Amend the Education Act".

A Bill, "An Act to Amend the Vocational Education Act".

A Bill, "An Act to Authorize the Government of Newfoundland to Enter Into an Agreement with McNamara Construction of Newfoundland Limited and Canadian Machinery and Industries Construction Limited".

A Bill, "An Act to Amend the Expropriation Act, 1957".

A Bill, "An Act to Repeal the Fire Loss Returns Act".

A Bill, "An Act to Amend the Local Roads Board Act, 1956".

A Bill, "An Act Further to Amend the Crown Lands Act".

A Bill, "An Act Further to Amend the Workmen's Compensation Act".

A Bill, "An Act to Amend the Loan Act, 1958 assented to on the 10th day of September, 1958, and validated certain debentures of the Province."

A Bill, "An Act Further To Amend the Civil Service Act".

A Bill, "An Act Further To Amend the Local Authorities Guarantee Act, 1957".

On motion, Bills read a third time, ordered passed, and titled to be as on Order Paper.

WAYS AND MEANS:

Mr. Speaker: Committee of Ways and Means — Notice was given on the last day, and the motion is that I do now leave the Chair.

Hon. E.S. Spencer (Minister of Finance) Presents the Budget Speech.

BUDGET SPEECH, 1959

Hon. E.S. Spencer (Minister of Finance): Mr. Speaker, I am frank to say that I consider it to be one of the great honours to befall me in my lifetime to present a Budget in the tenth year of our union with the great Canadian nation. I confess quite candidly that I never suspected, when I supported the great battle for Confederation eleven and twelve years ago, that I would be Minister of Finance in the Government of the new Province bringing down the Budget in the tenth year of our union. It is a proud moment for me.

I think it will be universally agreed that the union of Newfoundland and Canada has been a very happy one, and a very successful one. You could almost count on the fingers of your two hands the number of persons in this Province today who do not share the universal view.

I do not want to suggest that the union has been perfect, for no human union is ever perfect. I do not suggest that the mere uniting of Newfoundland with Canada has automatically solved all our problems. I am free to admit that we have many problems and that we will continue to have them. They may not always be the same problems. As one set of problems is solved a new set is bound to come into existence. How could it be otherwise in a Province which has the highest birth rate, and the lowest death rate, in Canada? The sheer pressure of population (and we fervently hope that this pressure will continue unabatedly) will impose upon the Government of Newfoundland the continuing strain of providing additional classrooms, hospital beds, miles of new road, water and sewer systems and ex-

tensions of them, new housing, and a host of other social conveniences. I do not expect to live long enough to see the time when it will cease to be a problem for the Treasury of this Province to find sufficient funds with which to satisfy the ever growing demands of the Ministers who head the Departments of Government.

These past ten years have been the most brilliant in all our history. In many things Newfoundland has seen more progress in these ten years than in all her previous history. Let me give you a few examples of this progress. First let me touch upon the subject of education. In the past ten years the number of young Newfoundlanders at school has risen from 75,000 to 112,000. This is an increase of 37,000 students in the ten years, and the increase is equal to the increase that took place in the forty years before Confederation. Ten years ago Newfoundland had 2,400 school teachers; today we have 1,300 more than that — 3,700. Ten years ago in Newfoundland there were 1,900 classrooms, today there are 3,000. This increase of 1,100 new classrooms must surely constitute the comparative record for all of Canada. Ten years ago we had 328 students in our newly-created university. Today our university has nearly 1,200 students. These are impressive figures, and they must prove to be a consolation and encouragement to all our people, for it will be admitted that the provision of ample opportunity for our young citizens to acquire sound education is one of the great purposes for which we live.

This great progress has not been accomplished without a great increase in the expenditure that the Government have had to make. In the ten years beginning with Confederation the expenditure of the Newfoundland Government on education has risen steadily:

1949	\$ 3,500,000
1953	6,500,000
1956	10,000,000
1958	15,000,000

In these ten years we have spent \$83,000,000 on the education of our youth. It will give the House some idea of how much money this is when I say that the total amount spent by the Government in the ten years immediately before Confederation was \$26,000,000. Indeed, Mr. Speaker, more money has been spent on education

these past ten years than was spent in all of the previous history of Newfoundland. Up to the day that we became a Province of Canada the total amount that had been spent on education was \$54½ million. This compares with the \$83 million spent in the ten years since.

We who are members of this Government have been greatly interested to note that a neighbouring Province, the Province of Québec, has recently announced a system of scholarships and loans to students, and that the Province of Ontario has also adopted a somewhat similar plan. These moves by our sister Provinces interest us all the more because we are the pioneers in Canada in instituting scholarships and bursaries on a large scale. Ten years ago the Government of Newfoundland awarded five scholarships each year, at a total cost of \$3,600. In this present year the number will be well over 1,200, and the cost a half million dollars. This amount for scholarships and bursaries is equal to the grand total sum spent annually by the Government of Newfoundland on all branches of education a mere twenty odd years ago. Yes, Mr. Speaker, we are proud of the record in education since we became a Province of Canada, but that does not say that we dare slacken our efforts to provide ever more and ever better opportunities for the young men and young women of Newfoundland in the field of education.

Let us take another example. What has our progress been, these past ten years, in the field of public health? If a healthy mind is one of the basic elements of our provincial and national well being, then certainly a healthy body is not much, if any less important. In this field Newfoundland has seen astonishing progress. More than a quarter of all of the hospital beds that exist in this Province today have been created in the past ten years. We have come from 144 doctors to 260; from 260 nurses to 740. We have seen a drastic reduction in communicable and infectious diseases. The health standards of our people are unquestionably higher than they ever were.

But, again, this has not been accomplished without great cost. In the past ten years we have spent a total of \$86,000,000. This is actually \$3 million more than we spent in the first ten years of Confederation on education. The increase in the past ten years

over the previous ten is not, however, so great as in the field of education. For this fact we have to thank the Commission of Government and their wise and enlightened policy, as enunciated and carried out by Sir John Puddester and Dr. H.M. Mosdell. We have spent, as I say, \$86 million on public health since Confederation, and they spent \$28 million in the ten years before. It is just to say that they laid the foundation for our modern health program in Newfoundland, and I am happy to pay tribute to their memory. At the same time I am proud, as a Member of the present administration of Her Majesty's Government, to remind the House that we have retained the foundations, strengthened and enlarged them, and built entirely new structures upon them. We are especially proud of the fact that Newfoundland, two or three years ago, became the first Province of Canada, and indeed the first part of the New World, and to this moment the only part, to provide free health services to all children under the age of 16. Our children's health plan is surely one of the most enlightened pieces of legislation that has ever been enacted.

When I was speaking of education I compared the total expenditure we have made since Confederation with the total that had been spent in all our history before Confederation. To give the same comparison in public health the figures are as follows:

Since Confederation	\$86,000,000
Before Confederation	48,000,000

Mr. Speaker, I do not share the view of those who hold that roads are as important as education or health; but the House would not expect me to utter a word against the importance of roads. In this field, too, Newfoundland has seen astonishing progress since she became a Province of Canada. We are without a doubt the only Province in Canada today that can say truthfully that it has, in the past ten years, built more than half the roads that it presently has. That is Newfoundland's proud boast. We have, in the past ten years, built nearly 1,600 miles of entirely new roads. This more than doubled the total mileage of motorable roads in this Province.

In these ten years we have connected more than 300 of our Newfoundland settlements by road. The exact number, to the end of last year, was 346. These 346 settlements, ten years ago, were totally unconnected by

road with each other or with the rest of Newfoundland, and the 100,000 people, or rather more than that, who lived in them were just as much isolated as their forefathers had been a hundred and two hundred years ago. Until the coming of Confederation these 100,000 Newfoundlanders, comprising almost a quarter of our whole population, could get in and out of their settlements only by walking through swamps and forest and over hills, or by travel on the sea. An occasional hospital patient would be removed by helicopter or small plane, especially in very recent years; but speaking generally these fellow-Newfoundlanders were shut off from the march of progress in Newfoundland and Canada as a whole. There remains in our Province, at any rate on the Island of Newfoundland, but a very small proportion of our people who still cannot travel by road. We are making strenuous efforts, at a cost of many millions of dollars each year, to put the quickest possible end to their ancient isolation. Our intention is that there will be scarcely a Newfoundlander living anywhere on this Island who cannot get back and forth by road. It is a bold ambition, and one which would justly have been regarded as merely a mad dream a mere twelve or fifteen years ago.

Again, Mr. Speaker, this has not been accomplished except at great cost to the Treasury of this Province. In the past ten years we have spent millions of dollars more on roads and bridges than we have spent on education, or millions more than we have spent on public health. The total expenditure on roads for the decade was \$94 million, and we will go well beyond the \$100 million mark before the present Summer is over. This \$94 million compares with the \$19 million spent in the ten years before Confederation. Indeed, Mr. Speaker, the amount spent on roads and bridges in the past ten years is almost three times as much as was spent in all the previous history of Newfoundland. The amount spent before Confederation was a total of \$36 million. Let me give you one other illustration of the progress we have made since we became a Province of Canada. I refer to the great field of public welfare. Now here we deal with a matter in which two Governments spend large sums of money in Newfoundland. Over and above the huge amount

spent by the Government of Newfoundland each year, there is an even larger amount that is spent by the Government of Canada. The Government of Newfoundland have spent, in the past ten years, on public welfare, almost exactly the same amount as we have spent on roads and bridges. There is a difference of only a million dollars in the ten years. We have spent \$93 million on public welfare, as compared with \$94 million on roads and bridges. And, as I have already suggested, this does not include the enormous sums that the Government of our nation has been spending in Newfoundland on such blessings to our people as Family Allowances, Old Age Pensions, Old Age Assistance, Pensions for the Blind, Unemployment Insurance and Unemployment Assistance, and other well known and greatly beloved projects of Federal public welfare which are blessings that have been showered upon us only since we became a Province of Canada. Canada has spent in Newfoundland, on these things (that is to say, she has paid directly into the pockets of hundreds of thousands of our people) no less than \$200 million in these past ten years. It would thus be fair to say that in the ten years we have been a Canadian Province no less than \$300 million (or an average of \$30 million a year) has been paid into the pockets of our Newfoundland people as welfare payments of one kind or another. What human tongue can describe the happiness and the good that has been done to the children of 70,000 Newfoundland families by the payment of the Family Allowance? What pen so brilliant that it can recount the blessings of the Old Age Pension and Old Age Assistance to tens of thousands of aged Newfoundlanders? What would our unemployed have done if they had not received the \$60 million paid to them by the Government of Canada as Unemployment Insurance and Unemployment Assistance? It takes no great effort on the part of any average Newfoundlander to picture some of the difference there would be in the home of the unemployed worker if his children were not receiving the Family Allowance, his aged parents were not receiving the Old Age Pension or Old Age Assistance, and he himself not receiving the benefits of Unemployment Insurance. It is perfectly true that before Confederation the Government of Newfound-

land, with all the generosity that state of the Treasury permitted, was making payments to our veterans of both wars, and all honour to them for it. But I think our veterans themselves would be the first to say that with the advance of Confederation these payments saw an instantaneous increase. In the ten years since Confederation the sum of well over \$30 million has been paid to our veterans by the Department of Veterans Affairs of the Government of Canada. Large payments continue to be made each year, and Confederation and the Department of Veterans Affairs may justly be described as the sheet anchor for many a veteran of the two wars. All of these many blessings, like the mercy of God itself, are showered upon the just and the unjust. They go into every nook and cranny of our Island home and the great Peninsula of Labrador. In every season of the year, come rain or come shine, these cheques go through the mail. In the average Newfoundland outport there is thus far more cash circulating in the dead of Winter than there used to be in the most prosperous Summer. It goes to those who need it most. It goes to those who will spend, not hoard, it. It circulates ten, twenty times a year. It passes from one shop to another, from small retail shop to larger retail shop, to wholesale shop, to jobber, to railroad, to coastal boat and coasting schooner, to truck and van, to tradesman and labourer, until it touches the life of every living Newfoundlander and affects the lives of children unborn. Is there a Member of this House with enough imagination to picture the good that Confederation has done and is doing, and will go on doing year after year into the far future, to the people of Newfoundland. But, Sir, I have not exhausted the subject. It is not only in the fields of education, public health, roads and public welfare that we have seen this progress. It is in virtually every field of human endeavour. More of our towns have become incorporated in the past ten years than in all the previous history of our Island home. We even have one fine, flourishing, fast-growing town in the great territory of Labrador incorporated and enjoying the blessings of electric light. More water and sewer systems have been installed in these towns than in all the previous history of Newfoundland; and though it would not appear to be a subject of deep philosophical interest or importance I have

no hesitation in saying that the number of new water and sewer systems is a very good indication indeed of the material progress we are making. We have seen vast progress in public housing, and we find that on public and private housing combined our people, since Confederation, have spent a total of \$125 million, which must surely be close to the total of what was spent on houses in all of the preceding 50 years. I think that we would have to add at least another \$20 million to that sum to represent the furnishings of the homes that have been built, and I am sure that the common observation of every Newfoundlander will convince him that we enjoy today the highest standard of housing we have ever known. Indeed, Mr. Speaker, it might not be an exaggeration to say that were our fathers and grandfathers to come back from even the fairly recent past they would rub their eyes in amazement in what they saw in the way of Newfoundland homes, Newfoundland roads, and a hundred other improvements.

Mr. Speaker, after all I have said today about the great sums of money we have spent since Confederation on such things as schools, roads, hospitals, and the like, some of my hearers may be wondering why I have said nothing about the large sums of money we have spent on economic development. I am glad to do so, and I am proud to do so. I shall take it under three separate headings:

1. What we have spent on surveys and exploration of natural resources;
2. What we have spent to bring about development of our natural resources;
3. What we have spent to bring about the more industrial type of new enterprise.

Under the first of these headings we have spent a total of \$4½ million on exploration and surveys of natural resources. This is what was spent on geological surveys, forest and water power surveys, and similar explorations and searches, and it includes the air-borne magnetometer survey of Notre Dame Bay which was the largest of its kind in the world up to that time. These surveys have already resulted in the opening of the Tilt Cove copper mine, and a prospective mine at Little Bay. In addition to that, a huge development of asbestos is about to commence in the Baie Verte section. It is needless at this point to do more than merely refer to the gigantic iron ore de-

velopment which is taking place in the Wabush Lake section of Labrador. This is a direct and immediate result of our great program of exploring and surveying the natural resources of this Province. Imminent development of the water power of Labrador and of Bay d'Espoir are directly attributable to this same program.

Under the second of the three headings, namely, development of our natural resources, I should like to cite particularly the money we have spent on the development of our fisheries. I am sure the facts will surprise a great many people. We have spent money, in the main, by loans to private enterprise groups. These loans have been made in cash by us, or by banks whose advances were guaranteed by the Government of the Province or one of its loan boards. First may I take our Fisheries Loan Board? This was set up in 1950 and was created for the purpose of making loans primarily to fishermen for the construction or purchase of boats, engines, fishing gear, and the construction of small fish plants. A total of 310 loans have been made and the amount loaned came to a total of \$1,100,000. Almost half of the amount loaned has since been repaid and is available as a revolving fund out of which loans can be made in the future to still other fishermen. As a result of the making of these loans we have seen the construction of 45 new long-liners, 10 new draggers, 24 new combined dragger boats-long liners, and the purchase of 54 other fishing boats. These loans have also resulted in supplying 159 new marine engines for fishing boats, and the construction of 5 small sized fish plants. The total number of fishermen who benefited directly from these loans was 1,240 and as a direct result of their receiving the loans they were enabled to earn a total of just over \$4 million. So much for the Fisheries Development Loan Board, which was in fact the smallest part of the Government's money lending policy in connection with the fisheries. We have made loans to a total of 29 different fish firms operating in Newfoundland. The total amount lent them was \$12¼ million. In addition to this we have spent out of the Treasury a total of another \$2¼ million on fishery development at LaScie, Merasheen, Quirpon, and Seldom. When these two amounts are added to the \$1,100,000 spent

by the Fisheries Loan Board, it comes to a grand total of about \$16½ million that the Government have spent by way of loans or advances to the fishing industry. This does not include some millions of dollars which have been spent in the ordinary course by the Department of Fisheries in the general fishery activities of the Government. It represents purely and simply the advances made to bring about fishery development by private enterprise. It is a very large sum of money, but the results have been very encouraging indeed when the effect on our general economy is measured.

In the first place, Mr. Speaker, the total numbers of Newfoundlanders directly affected, beneficially affected, are as follows:

Persons employed in and around the fish plants created or enlarged by means of our loans	3737
Number of inshore fishermen who were enabled to sell their fish to these plants	7562
Number of men employed in draggers and other fishing boats provided by our loans	356
Total number of men directly affected	11655

Now let us look at the money that was received by all these people and others in Newfoundland as a direct result of these loans:

Paid in wages to the 3,737 persons employed in and around the plants over the period of the loans	\$23,852,300
Paid to the fishermen for their fish	18,861,662
Paid to men working on draggers, etc	5,767,580
Paid to others for fish	4,970,467

When we add to these figures the money earned as a result of the loans made by the Loan Board, the total amount spent in Newfoundland by the companies receiving the loans on things other than wages and fish purchases, as well as one or two other items which I need not mention particularly at this moment, we find that as a direct result of our having made these loans to the fishing industry a grand total of 11,000 people have been directly benefited and a grand

total of over \$68 million has been put into the pockets of Newfoundlanders.

The total amount of money the Government loaned to the fishing industry was, as I have said, \$16½ million. This resulted directly and necessarily in the spending of \$68 million by the industries that received the loans.

If I might be permitted to put it in dramatic form, it means that should all of the fish firms and concerns to whom the money was lent now suddenly and mysteriously disappear from the face of the earth, the balance sheet from Newfoundland's stand point would be excellent. The Newfoundland Treasury itself would be out \$16½ million, though not all of that amount; but the Newfoundland economy would have benefited to the extent of well over \$60 million. It is not anticipated that these concerns will in fact disappear. On the contrary, most of them are flourishing, and can look forward to many years of continued activity and prosperity. It is not too much to expect that another \$60 or \$70 million will be put into the pockets of our people in the next ten years as a result of these same loans. It may well be, in the next few years, that we shall have to increase the amount a bit beyond the 16½ million to the same companies, but it will still be an excellent investment for the Government of Newfoundland to have made in the general economy of the Province. If the question is asked: would the Government repeat this investment? the answer can only be that of course we would. Any time that the Newfoundland Government, by lending \$16½ million to private enterprise in the fishing industry, can procure the distribution of \$68 million amongst the people, only sheer inability to obtain the capital in the first place in order to make the loans should prevent our doing so.

We have what is perhaps the largest and most modern frozen fish industry that is to be found anywhere in the New World. This is almost entirely the result of the initiative, energy and drive of the fish plant operators and of the large sums of money which it has been our policy to lend them. For Newfoundland it has indeed been a good investment.

Can as much be said of the money we have lent or spent in the creation of a number of industrial-type enterprises? I refer, of course, to the cement mill, the gypsum plas-

ter board plant, the tannery at Carbonear, the glove plant, the shoe plant at Harbour Grace, the Gold Sail fancy leather goods plant, the chocolate Factory at Bay Roberts, the woollen knitwear plant at Brigus, the rubber plant at Holyrood, the pyrophyllite quarry and plant at Manuels, the machinery plant at Octagon Pond, the battery plant, the plywood flooring plant, the fiberply plant, and the two textile factories in the City of St. John's, together with the motion picture and electronics company at St. John's. Some of these plants the Government itself built, but most of them were built by private enterprise mainly out of the proceeds of loans made by the Government to them. The grand total sum of money advanced from the Treasury to all of them up to the present time is \$28 million. This covers advances made for acquisition of land, construction of buildings, installation of plant, original working capital, and subsequent increases in the latter. It is admittedly a very large sum of money, and it will be interesting to see how much money this total has been instrumental in having distributed amongst our people in Newfoundland. We have seen that the spending of \$16½ million has advanced to the fishing industry has thus far resulted in circulating \$68 million amongst the people. What has the advancing of this \$28 million to the industrial-type industries caused to be distributed amongst our people? This amount is \$48 million. Twenty-eight millions advanced has caused the spending of \$48 million amongst our people. It is an impressive figure, but not nearly so impressive as in the case of fishery development. I think it is a fair assumption that another forty odd million dollars will be distributed by these industries in the next ten years or so, for although two of them have ceased to operate most of the others have been steadily increasing in tempo and size and more than make up for the loss of the two that have been obliged to close because they could not make their operation pay.

Let us now link these two great fields of capital investment by the Government of Newfoundland in the development of our Province. The total amount of public money which we have advanced for fishery development is the \$16½ million I have mentioned. This added to the \$28 million which we have advanced under the heading

of industrial development, makes a grand total of \$44½ million spent by the Government under these headings. It is considerably less than the \$83 million we have spent on education, \$86 million on public health, \$93 million on public welfare, and \$94 million on roads and bridges. It is, however, a substantial amount in its own right. What has it accomplished, the investing of these \$44½ million in economic development? It has resulted in the distribution of \$116 million to the people of Newfoundland for wages, salaries, local purchases, and other money spent within the Province. It is, admittedly, a most impressive result; and it will not do merely to point to the difference in results accomplished by the advance of public money to the fisheries as compared with purely industrial development. It is perfectly true that the money advanced for fishery development has produced relatively far better results. The pity of it is, however, that there is a distinct limit to the amount that can be invested in the fishery without producing an over-expansion that could prove disastrous to the industry. It is sometimes argued seriously that the frozen fish industry, for example, is already heavily over-expanded. Certainly, there would appear to be no immediate opportunity for further very substantial investment of large scale capital for development in the frozen fish industry, if we are to avoid serious over-production for our existing markets. Even after this has been said, however, it must be candidly admitted that far greater results have been accomplished, both relatively and absolutely, by the advance of public money for fishery development than for the other type. However trite it may be to say it, however, I feel that Newfoundland's progress will be all the greater as we have development, not of our fisheries alone, but of other natural resources as well as the pure industrial type of development in Newfoundland.

Mr. Speaker, before turning to our financial prospects for the new fiscal year, the year 1959-60, I give the House an account of the actual results of the fiscal year which ended on the 31st of March past. The case is as follows:

Final figures of the out-turn of our 1958-59 operations are not yet available; the books of the Province for 1958-59 have not yet been closed, for we are waiting the receipt

from Ottawa of the \$13,550,000 due to us in accordance with the recommendation of the Royal Commission on Newfoundland Finances (the Term 29 Award).

When this amount has been received and credited, together with certain other receipts due from Ottawa in respect of 1958-59 shared services, Revenue for the year will stand at \$75,893,300 compared with the originally estimated \$74,140,000 or an improvement by \$1¾ millions. Current Account Expenditure, estimated originally in an amount of \$59,323,000, resulted in outgoings of \$63,887,600, an increase of some four and one half million over the originally estimated figure, which increase was provided for in the Revised Estimates and Supplementary Supply for that year. It follows on the basis of these interim out-turn figures (which are, of course, subject to revision following upon final audit) that the Surplus of Current Revenue over Expenditure, anticipated at \$14,817,000, will stand at \$12,005,700.

On Capital Account, Revenue originally estimated at \$7,098,000 will in the out-turn show at \$6,707,300, which Expenditure, originally calculated in a total of \$22,445,000, will stand revealed at \$21,241,300 (inclusive of issues amounting to \$1,286,200 required in addition to the accumulated Sinking Fund for the redemption of the Second Victory Loan). Net Capital Expenditure, therefore, stands at \$14,534,000 which we have covered as to \$12,005,700, being the amount of the Surplus on Current Account and an increase in the Funded Debt by \$4,000,000 (being the amount raised by the issue of \$4,000,000, 5¼%, 20 year debentures, issued on the 1st of February, 1959). I should mention that because of the non-receipt, from Ottawa, of any payment under the Term 29 Award, it became necessary, during the course of the year, to arrange temporary financing through our bankers, the Bank of Montreal, as well as certain borrowing by Treasury Notes, at a cost to the Newfoundland Exchequer Account in the period ended 31st March, 1959, of the order of \$230,000 by way of interest charges. These charges are, of course, continuing and will continue until such time as we receive payment from Ottawa.

I turn now to the new financial year, which commenced on April 1st last. For the finan-

cial year I estimate that Current Revenue will amount to \$71,587,000.

I should like to give a very brief explanation of the figure I have just given you as my estimate of Revenue. Of the total amount, \$49,281,000 will be accounted for under the Department of Finance; of this latter figure some 34¼ millions will be received from the Dominion of Canada, under the headings of Statutory Subsidies \$1,569,000; payments under the Tax Rental Agreement \$19,272,000; payments under the transitional grant, the Atlantic Provinces grant, and the Term 29 Award will aggregate \$15,500,000. The Departments of Mines and Resources, Health, Public Welfare and Highways are all estimated to bring in receipts in excess of \$1,000,000 each. The Mines and Resources revenue is estimated at \$1,402,000; while Health and Welfare are set at \$7,718,300 and \$5,893,300 respectively; Highways revenue is set at \$1,758,000. The Board of Liquor Control will, it is estimated put \$4,000,000 into the Exchequer Account, the exact equivalent of last year's estimate.

Turning to the Current Account Expenditure for this year, I estimate total Current Expenditure at \$67,545,000. The heaviest allocation is under the Department of Health, which it is estimated, will require \$15,835,700 to carry on during the year. This is closely followed by the Department of Public Welfare with \$14,866,500 and the Department of Education with \$13,588,100. These three Departments between them have been provided with a total of \$44,289,000 in comparison with the originally estimated \$37,495,000 for the same services in the previous year. It will be remembered that in the case of the Department of Health, the 1958-59 estimate for National Health Insurance Expenditure was for a portion of the year only and stood, in the Estimates for that year at \$1,733,000 in comparison with \$3,613,000 estimated for 1959-60, the first year in which a full twelve months provision is required. Full details of other provisions which have been made for the various Departments will of course, become apparent to all members of the House when the 1959-60 Estimates are circulated and examined. I have no wish to weary the members of the House with a long exposition of the details of the Esti-

mates which will, very shortly, come under individual scrutiny.

It will be apparent from the figures of Current Revenue and Expenditure which I have already announced that there is an estimated surplus of \$4,042,000 on Current Account which can be carried forward to be used for Capital Account Expenditure for the year. Capital Account estimated expenditure for the year will be a gross total of \$20,948,900. More than 50% of this gross total has been allocated in 1959-60 for the continuation of Highroads work within the Province. Generally speaking, this year's Capital program follows last year's pattern. The gross Capital Expenditure is, as I have said, \$20,948,900 which, it is anticipated, will be reduced to a net sum of \$14,800,500 following the off-setting of Capital Revenue (in the main recoveries from Canada in respect of jointly shared-cost services) in an amount of \$6,148,400. Our overall cash requirements for 1959-60 may, therefore be set at \$10,758,500 (Net Capital Expenditure \$14,800,500 less surplus on Current Account \$4,042,000). We propose to finance this by raising \$10,000,000 by the sale of debentures and to cover the net difference of \$758,500 by temporary short-term financing.

Honourable Members may be surprised to find us budgeting for a surplus, on Current Account, of \$4 million for the year. This a fary cry from the picture as my colleagues presented it in the first instance. Each minister submitted to the Cabinet as a whole his estimates of what his department would have to spend this year to perform the things considered to be necessary. There was never any doubt in the Government as to the need for these things, but to perform them would have meant incurring a deficit of about \$2½ million on Current Account for this year. If we had been willing to contemplate the presentation of a Budget providing for a deficit of Current Account, which we were not, it would have meant a very severe reduction in the amount of money we would spend this year on Capital Account, for of course the first drain on our Capital Account revenue for the year would be the paying off of the Current Account deficit. As we do not consider a bond issue of more than \$10 million to be practical, that would have left at most something over \$7 million to be spent on Capital Ac-

count in the present year. And, Mr. Speaker, important, indeed vital, as Current Account Expenditures are and will be, they represent only the continued operation of the public services that we already have, whereas Capital Account expenditure represents the creation of new roads, new schools, new hospitals and new services generally. The measure of Newfoundland's progress in these matters is not merely the continued operation and maintenance of the public services we already possess; but rather the extension of what we have, and the creation of altogether new ones. It is on these projects that Capital Account expenditure is made; and it must, in a growing Province, continue to be the case that increasing emphasis is placed upon Capital Account expenditure.

This, then, being our outlook, we set out resolutely to balance our Current Account budget by cutting expenditure to the extent of the tentative deficit of \$2½ million; and then going the step further of still other reductions in proposed Current Account expenditure until we had actually created a prospective surplus of \$4 million. The two amounts together represented a reduction of \$6½ million in the original Current Account estimates as they came from the Ministers of the Cabinet as a whole. By this means, which gives us \$4 million of a Current Account surplus, we can get a total Capital Account expenditure in the present year of about \$21 million. The difference will be made up of Capital Account revenue from the Government of Canada in the form of shared-cost projects (such as Trans-Canada Highway, hospital grants, and so forth) and the proceeds of our proposed bond issue.

The Ministers and Deputy Ministers of the department, together with their administrative staff, will more than once this year tend to bewail the drastic reductions we have made in the original Current Account estimates, for it must of course be assumed that these were realistic in the eyes of those who submitted them. However, the chagrin they may experience in seeing their Current Account expenditures made smaller than they would have liked will, I trust, be more than made up by the satisfaction they must derive with all the rest of us in Newfoundland from the Capital Account expansion of the present year. I dare to suggest next year

and in other years to come increasing emphasis will have to be placed on the desirability of keeping Current Account expenditures under strict control while expansion is taking place in expenditures on Capital Account. Current Account expenditures I may loosely describe as the cost of keeping house. Capital Account expenditures may be described as the cost of enlarging, extending and improving the house itself. We have the highest birth rate and the lowest death rate of Canada, and we have no choice but to press forward with the programme of building new roads, schools, hospitals and all the rest of the conveniences and facilities that make a Province worth living in.

No speech, Mr. Speaker, that sets out to review the history of our union with Canada would be complete without a reference to Term 29. This is a matter which has now become familiar to every citizen of this Province, and to many other people from one end to Canada to the other. It will be useful, I think, if I put the simple facts on the record. These facts are unmistakable. It would require almost a wilful attempt to misunderstand them.

This Term was passed by the Parliament of the United Kingdom, House of Commons and House of Lords. It was passed by the Parliament of Canada, House of Commons and Senate. It was confirmed by the Government of the day in Newfoundland. That would be the Commission of Government. It forms part and parcel of Canada's Constitution, the British North America Act of 1867 with amendments. It is therefore no ordinary document. It is not a contract between two tradesmen. It is rather a solemn agreement made between two high contracting parties, these being the Government of Newfoundland and the Government of Canada at a time when they were separate countries. (It might not be overlooked that the parties who negotiated and signed the Terms of Confederation for Newfoundland did so, not in their personal or private capacity, but as representatives of the Government of Newfoundland).

There is no doubt at all of the solemn obligation that rests upon the Parliament of Canada, at the invitation of the Government of Canada, to enact legislation that will give effect to Term 29. The original financial terms of the union between the four

Provinces that constituted the original Confederation of Canada, and the financial terms of other Provinces that entered the union subsequently, though stated in the British North America Act, have never received the necessary sanction until the Parliament of Canada, in each instance, enacted legislation to give that effect. In other words, Mr. Speaker, the B.N.A. Act itself does not, of itself, give to the Province the respective amounts set forth for them. It is not enough to have the amounts stated, as they are indeed stated, in the B.N.A. Act itself. The B.N.A. Act set forth the fact that each Province is required to get certain sums from the Treasury of Canada, but that Act does not in fact provide those sums. The monies are provided each year under statutes passed by the Parliament of Canada. The Provinces do not receive these monies under authority of the B.N.A. Act, but rather under authority of separate Acts of the Parliament of Canada.

To argue, therefore, that the Parliament of Canada is not under constitutional and moral obligation to pay to Newfoundland what is indicated in the Terms of Union is only another way of saying that the Parliament of Canada is not obligated to enact legislation to give effect to what is contained in the B.N.A. Act. It is no more immoral for the Parliament of Canada to fail to vote the money indicated in Term 29 than for it to fail to vote monies due to Newfoundland, or indeed to other Provinces, under other Terms of Union. There is precisely the same moral obligation upon the Parliament of Canada, acting in response to the invitation of the Government of Canada.

So much for the silly talk we sometimes hear about a contract between Newfoundland and Canada, as though this were in a class with any ordinary business agreement or contract that might be taken into a court of law. This, if it is a contract at all, is a contract of a most extraordinary character. It is a treaty between high contracting parties, the Government of two British countries, Canada and Newfoundland.

What is this treaty? It is a treaty under which one of these parties, Canada, undertakes to pay to Newfoundland each year the cost of continuing Newfoundland's public services at certain standards and levels. There is only one condition to this undertaking. The condition is that Newfoundland itself shall

tax its people for that purpose no less burdensomely than the Governments of Nova Scotia, New Brunswick and Prince Edward Island tax their peoples for the support of their public services. Regard must be had, however, to the relative capacity to pay in each of the four Provinces.

The fear in Newfoundland, when Confederation was under discussion, and our people were trying to make up their minds, was the Confederation, while it might indeed prove to be a blessing to the people of Newfoundland, would probably possess a bankrupt provincial government. Virtually all of the revenue that the Government of Newfoundland had been in the habit of collecting it could no longer collect once Newfoundland became a Province of Canada. It would become constitutionally impossible for the Newfoundland Government, after Confederation, to collect customs, excise, and other types of indirect taxation. These constituted the great bulk of the revenue of the Newfoundland Government before Confederation. With the disappearance of this revenue, would not the Government of the new Province find itself bankrupt almost from the beginning? True, a sales tax could be introduced. Liquor profits could be stepped up. Gasoline taxes could be made the highest in Canada. But in spite of these and other increases, would not the Government of the new Province find it to be quite impossible to discharge its constitutional responsibilities because of lack of funds? This is the question with which the Newfoundland and the Canadian negotiators both wrestled.

A simple expedient was adopted. A trial period was agreed upon — eight years. Within this eight-year trial period the Government of Newfoundland would see what revenues it could collect and would by trial and error determine what revenue it would need to give the Newfoundland people the services they would want as Canadians. And to help tide the Government of the new Province over that eight-year experimental period, the Government of Canada would give an annual transitional grant, on a diminishing scale, pending the holding of an enquiry to ascertain the amount that would be needed, not on a temporary but on a permanent basis. This is simplicity itself. Before the eight years would expire a Royal Commission would come in and review the

matter. Its duty would be to find out precisely how much money Ottawa would need to pay to Newfoundland each year in future to enable the Provincial Government to continue the public services without taxing the Newfoundland people more (having regard to capacity to pay) than the people of the nearby Maritime Provinces were being taxed. The danger, from the moment that that term was written and adopted, was that the Royal Commission, when appointed, would not recommend a sufficient amount. There was even the danger, though it was never thought to be very great, that the Government of Canada would fail to invite the Parliament of Canada to vote to Newfoundland the whole of the amount that the Royal Commission would recommend. The one thing that never occurred to anyone was that the Government of Canada would agree to the amount recommended but would place a time limit upon it. That was indeed the unexpected.

We believe in this House that it can be shown that on the basis of the Royal Commission's own findings their recommendation was not generous enough, if generous is indeed the word to employ. On the basis of their own reasoning, so we believe, the amount should be more than the \$8 million a year which they have recommended. But be that as it may, we fail, and every Newfoundlander fails, and millions of Canadians fail, to see where their exists any justification for putting a time limit upon the amount that is to be paid.

It is necessary to make one further observation on this matter. When the Premier of Newfoundland and I visited the Prime Minister of Canada in January last the Premier quite frankly suggested to the Prime Minister that Newfoundland would be pleased if the Parliament of Canada provided for another review under Term 29, according to the terms of reference of Term 29. The Premier suggested that this second review might well take place within 16 years of the date of union. The \$8 million a year would, he suggested (if the Canadian Government would not in the meanwhile accede to Newfoundland's request to raise the amount) be paid each year for eight years pending the holding of the second review. This is an altogether different thing from agreeing to pay the amount recommended for a strictly limited period of years, after

which it was to come to a final and complete end. This review that might take place outside the terms of reference of Term 29 would deprive Newfoundland of the special rights set up for her in Term 29, and place her at the mercy of any general settlement which might be contrived from time to time for all the Provinces or any number of them. Newfoundland, as one of the ten Provinces, naturally expects to get everything that is given generally to the Province of Canada. Over and above that, however, we expect to get the something special that was created for Newfoundland. We are not the only Province entering the Canada federal union to receive special consideration in some respect or other. Many of the Provinces were given special inducement or special treatment upon their entry. That has not prevented their receiving their full share of any projects or plans advanced by the Government of Canada from time to time for the benefit of Provinces in general. Such benefits have never been regarded or treated as being in lieu of the special rights accorded them as part of the original understanding at the time of their entry into the union. Why should Newfoundland be expected to accept less? Up to the moment of my preparation of these remarks for presentation today the Parliament of Canada has not had any legislation laid before it to authorize payment to Newfoundland under Term 29, and I thus prepare these remarks in ignorance of what that legislation may prove to be. If the legislation should occur before I deliver these remarks in this House, and be satisfactory to our claims, then from the bottom of my heart I think the Government of Canada for according to Newfoundland her just rights under the Constitution. If, on the other hand the legislation has been brought down and is unfavourable to Newfoundland, then I can only say that I deeply deplore the lack of honour that has led to the betrayal of our interests.

What we claim, and what Term 29 gives us the right to claim, is not that Canada shall pay the cost of operating public services in Newfoundland as good as those operating in Nova Scotia, New Brunswick, and Prince Edward Island. Term 29 does not give us the right to make that claim. We naturally aspire to having public services as good as those of our neighbours, but Term 29

makes no provision for that. What Term 29 provides is for payment by Canada of enough money each year to enable Newfoundland to continue our own existing public services at their presently existing levels and standards. The Term does not give us any right to demand improvements or extensions of our levels and standards of public services above and beyond the levels and standards as they exist at this moment. What it provides is for the continuation of these services at their presently existing levels and standards, and their provision without taxation on the Newfoundland people more burdensome than that applied to the people of the three nearby Provinces. That is what the Terms of Confederation guaranteed to Newfoundland, and it is puerile and dishonest to argue that Canada is not obliged to pay these amounts merely because the B.N.A. Act itself in Term 29 does not spell out in so many hard-bitten words any compulsion on the Government of Canada and the Parliament of Canada to act upon the constitutional undertakings that are contained in Canada's basic law. The B.N.A. Act is full of provisions for the payment of certain sums to the Provinces, and these sums are paid to the Provinces, but paid because the Parliament of Canada has enacted special statutes to provide for these payments. This the Parliament has done by way of honouring Canada's undertakings as set forth in the B.N.A. Act. We expect the same treatment.

And so, Mr. Speaker, we have seen ten years of Confederation. We have seen ten years of steady and in some respects spectacular success. Newfoundland is beyond all comparison healthier, richer and happier than she ever was before. We are better fed, better clothed, better housed than we ever were. We have more roads, more cars, more electric light, more of almost everything than we had ten years ago. Not every family is well off, and not every individual has had all of his problems solved for him. Confederation has been no cure-all. We still are faced by challenges to our patriotism and to our ambition as Newfoundlanders and Canadians. As an honourable Member has said in this House, we may not have reached the land of Canaan, but we have certainly left the land of Pharaoh. May the next ten be even more glorious for all our people than the ten remarkable years that have passed.

The Motion said that I do now leave the Chair, for the house to go into Committee of Ways and Means.
On motioned debate on the budget adjourned.

Mr. Spencer: Mr. Speaker, I have the honour by command to announce a message from His Honour the Lieutenant-Governor.

Mr. Speaker read to the house as follows:

The Honourable the Minister of Finance:

I, the Lieutenant-Governor of the Province of Newfoundland, transmit Estimates of sums required for the Public Services of the Province for the year ending the 31st of March, 1960, aggregating Eighty-two million Eight Hundred and Forty Seven Thousand Four Hundred Dollars (82,847,400), and, in accordance with the provisions of the British North America Act, of 1967, as amended, I recommend the Estimates to the House of Assembly.

(Sgd Campbell Macpherson,
Lieutenant-Governor.

June 25, 1959.

Hon. J. R. Smallwood (Premier): Mr. Speaker, before you put the motion, to which, I take it, the hon. minister of Finance will address himself, may I invite Your Honour's attention to the fact that there appears to be a typographical or some error in the communication you just read to the house. This communication from the Lieutenant-Governor is, I take it, one to the House of Assembly and not to the minister. I thought I heard Your Honour read the name of the minister, but clearly this is a communication to this House.

Mr. Speaker: I thank the Premier for the correction and it will be made. As the Premier has pointed out, the communication should have more properly been addressed to the House of Assembly through the minister of Finance.

On motion that the house go into Committee of Supply, Mr. Speaker left the Chair. (Mr. Clarke, Chairman of Committee of Supply).

Mr. Spencer: Mr. Chairman, I move the

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

Mr. Clarke: Mr. Speaker, the Committee of Supply considered the matters to them referred and have directed me to report progress and ask leave to sit again. On motion report received, committee ordered sit again on tomorrow.

Mr. Smallwood: Mr. Speaker, I move that the remaining Orders of the house do stand deferred, and that the house at its rising do adjourn until tomorrow, Friday, at three o'clock.

I am asked, by my colleague, the minister of Finance to say that he invites the members of the house and their friends to attend at a place in this building where the proverbial hospitality will be extended by the minister of Finance.

On motion all remaining Orders of the Day do stand deferred, and the house at its rising adjourned until tomorrow, Friday, at three o'clock.

Friday, June 26, 1959

(Afternoon Session)

The house met at three o'clock.

Mr. Speaker in the Chair.

PRESENTING PETITIONS:

Mr. Isaac Mercer (Fogo): Mr. Speaker, on behalf of the people of Fogo and Change Island I present a petition. This petition is addressed to the hon. members of the House of Assembly, St. John's, Newfoundland. I think perhaps the best way I can explain the prayer of the petition, which is only short, would be to read it:

"Whereas the cottage hospital at Fogo was built some years ago and the electricity for the same is generated by diesel power, and water for which is obtained from a well formed by a ten foot square hole, — whereas two years ago the hospital was enlarged from six to ten rooms thereby more than doubling the capacity necessitating a

great increase in electric appliance, X-Ray units etc., increased diesel power is absolutely necessary in order to use the hospital facilities efficiently to give hospital services to the public. And whereas several attempts have been made to obtain water, without success, but we believe it can be obtained by bulldozing a reservoir for storage of water. Whereas this hospital serves more than 5000 people on Fogo and Change Island we therefore, the undersigned, representing the people of Fogo Proper, Shoal Bay, Joe Batts Arm, Tilting Harbour, Sandy Cove, Wild Cove, Broad Cove, Seldom, Harbour Little, Stag Harbour, Island Harbour, Deep Bay, Black Cove and Change Islands do pray this hon. House to see fit as early as possible to install increased diesel power and provide a water reservoir sufficient to take care of the needs of the hospital."

This petition, Mr. Speaker, is signed by the representatives of the people of Fog, including the Mayor of the Town Council and also by the Mayor of the Town Council of Change Island and other representatives of Change Island and also by two representatives of each one of the places I just named. It is also signed by the hospital superintendent at Fogo and by the clergy and by the heads of the various organizations such as the Society of the United Fishermen, the Star of the Sea, the Agricultural Organization and the Federation of Fishermen.

I think in supporting this petition, Mr. Speaker, it is hardly necessary for me to go beyond saying that a hospital which was supplied with diesel power for electricity when it was a five or six bed hospital — it is hardly necessary for me to belabour the point by saying what increase in electricity they would require for generating power for the now 16 bed hospital. Of course, it is hardly necessary for me to say that it would be really ridiculous to have a hospital serving more than 5000 people without a good supply of water. I may say I have talked of this with the minister of Public Health, and he thinks it should have been brought to his attention, and he believes it should be done. I present it to the house and I now ask, Mr. Speaker, that it be tabled in the house and referred to the Department to which it relates.

Mr. Speaker: I want to say the petition does seem to me to be a petition which should

have been in the normal course of events sent to the minister of the department concerned as it is merely concerned with the internal working of the hospital, but there is no good reason why it should not be received.

On motion petition received for referral to the department to which it relates.

Hon. M.P. Murray (Minister of Provincial Affairs): Mr. Speaker, I wish to present a petition on behalf of the settlements of Renew and Kingnam's Cove regarding the restoration of the road between these two settlements. There was a road in use for a great number of years between these two settlements but when the new system came in a couple of years ago, forming units, the section man was taken off this particular road. The result was that this road became impassable. There is, of course, a more circuitous way around to the settlement, but this road does serve a useful purpose. There is a big modern fish plant at Renew and the road I am speaking of is a short cut between Renew and the fish plant. Furthermore, fish is bought for salting by Goodridge's plant in Renew. This road serves a very useful purpose. Furthermore, there is a project on hand to build a Regional High School at Renew itself now, and when that school is erected the distance the children have to go, if this road is not restored, is much longer around. It would, I say, serve a useful purpose if restored. The people are not looking to put the road in a first-class condition, up to highroad standards, but a bulldozer could go to work on it for a week or two, and it could be put in condition at least to make it passable for trucks and vehicles. Sir, I wish to lay the petition on the table of the house to have it referred to the department to which it relates.

On motion, petition received.

NOTICE OF MOTION:

BILL RECOMMENDED:

Hon. L.R. Curtis (Attorney General): Mr. Speaker, I wish to give notice that I will on tomorrow ask leave to move that Bill No. 36, entitled, "An Act Further to Amend the Education Act" be reconsidered and that

Third reading be rescinded and that the bill be recommitted to a Committee of the Whole House.

ORDERS OF THE DAY:

LOGGER BLACKLISTED: IWA — NBWW:

Mr. G.R. Renouf (St. John's South): Mr. Speaker, I would like to ask the hon. Minister of Municipal Affairs and Supply (Mr. Abbott) if he contemplated making any statement at a suitable time on the article in the Evening Telegram relating to the employment of loggers. It was rather confusing. I was wondering if he had some suitable statement contemplated in explanation of that, and his letter to Mr. LeDrew?

Hon. B.J. Abbott (Minister of Municipal Affairs & Supply): No, Mr. Speaker, I did not read it but it refers to the letters, or part of my letter to Mr. LeDrew. He did apply to me for some work. And he stated in his letter that he was unemployed. A court injunction had been issued against him and I did write sympathizing with him. He was unemployed. I had nothing to offer but asked him if he had joined the new Brotherhood, and that if he had I felt sure something would be done for him. As a matter of fact, I brought it to the attention of the president of the Brotherhood and asked him if something could be done for this man. As stated in my letter to him, the second letter, I did take it up with the Attorney General's Department, and I was very cautious as I felt at the time that the contents of my letter might be revealed. I don't think there is anything in that letter which would in any way show that I, in any way, took sides with any particular union. I did state the facts. I felt if he did join the Brotherhood and made it plain that he would be loyal that he would get work. Now, my first letter to him was quoted there but it is not verbatim or as I actually did write him. I did not for one moment suggest to him that if the IWA left the country he would have no difficulty in obtaining work. I did not say that. I have no desire whatsoever to rush into print and make any explanations to the public. It was just a letter to one of my constituents and I do not regret one bit having written as I did.

Mr. Speaker: I allowed the hon. minister to reply to the question which was put, but I do not think that was really a proper question in as much as it had nothing to do with the minister as minister of Supply. It was, as I recollect the hon. member's question, a question regarding a letter which the minister himself wrote in his capacity as a member, and it was up to himself whether he commented on it or not. But he did comment on it and, of course, the matter is not debatable.

Hon. M.M. Hollett (Leader of the Opposition): Further to that question — I was a bit worried about that and am glad my hon. colleague raised it. I would like the minister to confirm or deny that paragraph, the one expressing his opinion.

Mr. Speaker: Order! The minister does not have to.

Mr. Hollett: I am not trying to compel him but am asking if he will. I don't believe he would confirm that as correct. I only ask in fairness to him and to the house.

Mr. Speaker: That he will do if he so desires. I cannot permit a debate on this matter.

Mr. Abbott: Mr. Speaker, in reply to the hon. Leader of the Opposition: In the first letter there I am incorrectly reported. I mean the first paragraph of the article.

Hon. J.R. Smallwood (Premier): Read it out.

Mr. Hollett: In the Evening Telegram, June 25th., "The IWA leaving Newfoundland has been named by provincial Cabinet minister as prerequisite".

Mr. Abbott: No! That is not it.

Mr. Hollett: I don't think that should be allowed to stay there not contradicted because it is certainly not the opinion of any member of this house.

Mr. Speaker: Order! I appreciate the facts, what the hon. Leader of the Opposition is doing, but that still does not alter the question that a minister can only be questioned regarding his responsibility in his depart-

ment if he sees something in a newspaper which is about him and which is not correct. Then he can bring the matter up himself as a question of privilege.

Premier Smallwood: Mr. Speaker, I know it is not in order to debate it.

Mr. Speaker: No it is not in order but I will permit the Premier to make a statement since the Leader of the Opposition has made a statement.

Premier Smallwood: It is not in order to debate the reply the minister has given and anything said about it constitutes a debate. That is not permitted. Notwithstanding that fact, I would like to ask him a question. I would like to ask him if he would be good enough to make clear to this house, which does not appear to be clear in the account in the Evening Telegram of yesterday, this matter of an injunction. It appears that this citizen was seeking work, seeking employment in the woods with the A.N.D. Company and he wrote to his member to say that he could not get work because there was an injunction against him, taken out in the court. My question is: Who took out the injunction? Would the minister, or the member for that constituency make it clear what connection there is between the man's unemployment and the fact that there was a court injunction against him? Is the court injunction still standing? And what did his joining the Brotherhood have to do, the possibility of his joining the Brotherhood have to do with the injunction and the fact he has no work? Will the minister make that clear, quite clear?

I know a case of a union man who came to me in Grand Falls, from Badger. He had an injunction against him, taken out in the court by the A.N.D. Company. The injunction still stood against him at the moment he came to see me. He said: "I can't get work ever from the A.N.D. Company because they have taken out this injunction against me in the court. I can't get work from them. Can you help me — advise me?" I told him it was the company's own business whether they take an injunction or not but certainly if I were in his shoes, with an injunction against me by the A.N.D. Company for something I had done, the first thing I would do is leave the I.W.A. and join the

Brotherhood, to prove to the A.N.D. Company that that company could safely give me employment. Now that was my advice to a young man who came to see me from Badger. Now is this on all fours with that? Would the minister clarify it?

Mr. Speaker: I wonder would the hon. Leader of the Opposition permit the page to give to the minister the article in the newspaper in question so that he can have it before him when he makes his reply. I may say at this time that I will permit the minister to make his reply to clarify his explanation; then the house will have to go on with its regular business. If we permitted every newspaper article to be discussed we would waste a great deal of time of the house.

Mr. Abbott: Mr. Speaker, I shall go into more detail. I received a letter from this man LeDrew, one of my constituents. He informed me that he had been employed in the woods of the A.N.D. Company when the strike was called. He was told by the men in charge of the strike, in his own phraseology, to "set up a tent" by the A.N.D. Company camp at Millertown. He and a number of other strikers were living in this tent and while they were there a court injunction was taken out against him by the A.N.D. Company. He said: "I did nothing wrong. I did not interfere with A.N.D. Company property. I committed no act of violence whatsoever because I am a law abiding citizen. But, now I find I am unable to get work. I find there is no work for me this coming year. I am depressed. I don't know what to do. I have a family. I owe my merchant money for food which I have eaten. Can you get a job for me?"

Well, I wrote and told him — I replied saying I regretted the fact he was unemployed and unable to get work, but if a court injunction was taken out against him, then of course the proper thing for him to do is to try and get it lifted. There is another union you can join if you so desire. At the same I am not telling you to join it, but until you do chances are you will not be able to get employment with the A.N.D. Company. If there is anything further that I can do for you in this matter I shall be only too pleased. That was my first letter. He wrote again saying he was still unemployed and he would like me to do something. I wrote and

told him then I had discussed the matter with the Attorney General's department and whereas, I repeated again, I was not telling him to join any particular union, I felt sure if he did join the union they would take the matter up for him. Now Sir, as far as I can remember, that was the gist of the correspondence that did take place between us. I never said: "If the I.W.A. should leave Newfoundland you certainly will get a job". That was never said. It is pure inference on the part of the party who released this information — or parties.

Hon. M.M. Hollett (Leader of the Opposition): Mr. Speaker, may I ask the hon. minister of Finance if he has seen the headlines on this page, in the Daily News this morning and if he will confirm or deny that headline as correct in regard to the statement made yesterday in the budget speech.

Premier Smallwood: Will the minister deny he has stopped beating his wife?

Mr. Hollett: I did not think he wrote the headline, Mr. Speaker. He is writing one now.

ORDERS OF THE DAY

LEGISLATION: (COMMITTEE OF THE WHOLE):

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

Mr. Clarke (Chairman of Committee of the Whole)

Committee of the Whole on Bill, "An Act Relating to Historic Sites and Documents".

Mr. Hollett: Mr. Chairman, in connection with this whole Bill, I understand that the archives and historic objects and that sort of thing will be open to the public on occasions?

Premier Smallwood: Of course! Not so much to the public as to students, writers, historians, researchers. It is not the sort of thing the general public would be interested in.

Mr. Hollett: I am thinking of the museum, something the same.

Premier Smallwood: Something along that line, yes. Obviously, most of the material will not be of the type that could be displayed on open shelves as in a public library. The more valuable ones will be in vaults, fire-proof vaults, and precious rare things will be kept under great care. Most of it will be in cabinets, fully indexed, cross indexed, and there will be reading rooms with desks so that researchers who wish to write anything, prepare a lecture, pamphlets, books, prepare a radio talk or do any kind of literary work in connection with the history of Newfoundland or some phase of the history of Newfoundland, could come to the archives to see what they could offer by way of enlightening the inquirer in his studies of any phase of our history.

My hon. friend, (Mr. Hollett) who is, I believe, a Master of Arts specializing in economics at Oxford University, must be well aware of the kind of research facilities that are provided there and must also be aware of the Public Records Office of London where historic papers are kept by the government of the United Kingdom. He must be aware also of archives in other parts of the world. Well, the intention here certainly is to have something of that sort in Newfoundland by way of augmenting and supplementing the public library which already carries on something of that sort, and the university, which in the last two or three years has been carrying on some work under a grant from one of the foundations in the United States, the Carnegie Foundation; by way of supplementing and augmenting these efforts, but much more than that, to outpace them and to become the great centre of archives for the Province of Newfoundland.

Mr. Hollett: Naturally, it has to be under the supervision of a very special person.

Premier Smallwood: Professor Allan Frazer is our Provincial Archivist.

Mr. Hollett: He certainly is well qualified, but he would also have to have a qualified staff.

Premier Smallwood: We are not anticipating a big staff — one or two helpers at the most.

Mr. G. Nightingale (St. John's North): Any sites of historic value will be determined by the Lieutenant-Governor in Council. Now we have a planning Board, town planning, and the Lieutenant-Governor in Council will determine whether there will be historic sites or not, whether it is fit for one now. This is one of the questions I think very important, and Clause (21) of this Act. We had quite a controversy over Hunt's Lane for the last five months. It is supposed to be a very historic place, and certain centres "raised Cain" because we cut it off. Now Hunt's Lane is very old but it is not much good today, in these times, and the Council of St. John's naturally agreed to closing this land off because it was safer, as it might start a conflagration in the City of St. John's. That is one reason why the Lieutenant-Governor in Council should act in conjunction with the Town Planning Committee, and they should be mentioned in this particular section. I don't know what the minister thinks. I leave that question to you, gentlemen.

Motion, that the Committee report having passed this bill without amendment, carried:

Committee of the Whole on Bill, "An Act to Amend and Consolidate the Law Respecting the Operation of Saw Mills".

Hon. W. J. Keough (Minister of Mines and Resources): Mr. Chairman, the Attorney General tells me Clause 2 (f) should be stricken out as unnecessary and (g) and (h) relettered accordingly.

Clause as amended carried:

Mr. Kough: Mr. Chairman, this Bill repeals the old Act and repeats most of what is there and more or less consolidates the laws that have been enacted.

Mr. Eric Jones (Burin): Mr. Chairman, I wonder if the minister could tell us whether or not, with the issue of permits to build mills on Crown Lands, any provision will be made to avoid pollution of streams, trout and salmon streams, by sawdust and offal from the mill, or is it contemplated to handle it under regulations?

Mr. Keough: Mr. Chairman, it is against regulations at the moment to pollute streams anyway by sawmills, and the regula-

tions now in effect will be re-gazetted under this section when passed.

Mr. Hollett: Mr. Chairman, it was brought to my attention the other day that in the National Park Area, some dozen or so mill owners were not allowed to operate their mills. I wonder if the minister could give us any low-down on that, whether they received compensation, or what happened in that National Park Area — I forget the name of the place now.

Mr. Keough: Mr. Chairman, the National Park area is now the property of the Government of Canada, who issue saw-mill licences if they intend to have saw-mills operate in the area.

Mr. Hollett: I am quite aware of that. I am wondering if the minister is aware of what happened relative to those losing licences — What is the trouble? Have they been paid any compensation? I wonder if the minister could give us any information on that?

Hon. J. R. Smallwood (Premier): The men who formerly held licences to saw lumber in the area now the National Park, but who now no longer have that right since it became the property of Canada have, I believe, claimed the right to be amongst the first to get jobs on the staff of the National Park. To what extent the government of Canada has recognized that right I do not know. The member for the district says that eleven of the saw mills involved were at or near Cannings Cove.

Hon. M. M. Hollett (Leader of the Opposition): That is the spot.

Premier Smallwood: Of them, three men only have so far gotten jobs in the park and 30 of them are on relief in Cannings Cove. The government of Canada, through its agent Mr. Carson Stroud, has not engaged more than three of the 33 displaced saw mill operators of Cannings Cove. Mr. Stroud, for some reason that he could explain better than I could, has not employed more than three of them.

Mr. Hollett: Perhaps, Mr. Chairman, the hon. the Premier could give us the date on which the agreement was made in regard to

the National Park between the government of Newfoundland and the government of Canada? What year was that in?

Premier Smallwood: The hon. Minister of Mines and Resources thinks it was in 1956 or 1957.

Mr. Hollett: That would be before the present administration in Ottawa came into office.

Premier Smallwood: Certainly before the present government were in office. The present government did not create the park. The present government of Ottawa appointed Mr. Stroud as their representative to employ the labour.

Mr. Hollett: Was there any representative there before?

Premier Smallwood: I think not.

Mr. Hollett: At least they have done something then. I wonder if the minister could inform the house as to where in the agreement as to the National Park, between the two governments, was there any clause relating to the employment of dispossessed saw mill owners in that area, and if there was a clause why did not the government endeavour to see that clause was carried out to the benefit of these people?

Premier Smallwood: If I may give the answer — It is very fresh in my memory. The answer is that the government of Canada acquired title to a piece of land in this Province, with a view to using that land for a National Park. They lay down the conditions — not the government of the Province in which the land is situated. The conditions are laid down by the Parliament of Canada and the minister of the Canadian Government under whom National Parks come. But there was one exception made in our case. I refused, refused stubbornly, to recommend to the Cabinet our yielding up title to that land to Canada, refused to the very end, successfully, until Canada changed the rules in one respect — the rule that she made apply to all provinces of Canada in common. The one change in the rules was that the timber growing in the area that was to become the National Park

should become available to a third paper mill if, as, and when such a mill were built in Newfoundland. Now, before that rule was changed in our favour, the rule was that no commercial enterprise of any kind was permitted in a National Park — no saw mills, no cutting of pulp wood, timber commercially. i.e. no cutting of saw mill timber commercially, none, and no development of minerals. If a great oil well were discovered there it could not be developed; if a gold mine were discovered it could not be developed under the Canadian Government rules. Once they acquired title to a piece of territory, they had complete control over it and there would be no commercial enterprises at all permitted in it. That has been the rule from the beginning. We forced them to change it in one respect only, and we are the first province in Canada to get it changed, and the one change we succeeded in getting was that pulp wood could be cut within the park if, as, and when a third paper mill came, and that any wood so cut would become available to that mill.

Now, the reason we insisted on it was that we knew, having gotten it surveyed especially, that there were some commercial stands of timber in the park area. We said we would rather do without the park forever rather than have that wood lost forever to a third paper mill. So we stood firm. It was the one time that Mr. Pickersgill and I fell out. I stood firm and said — "I don't care — I don't care what you do, we are not going to let that timber go and that is that". In the end he persuaded his colleagues in Ottawa to change the rule in favour of Newfoundland. We have it now in an exchange of letters. And it was on that basis and that alone that we agreed to pass over the title to the Canadian government.

Now, insofar as any men who would be displaced, certainly it was the intention of the government before the change, it was most certainly the intention, most definitely, because the matter was discussed and agreed, that the first men to get a chance to work in the National Park would be those operators of the saw mills and employees of those saw mills who would no longer be allowed to cut and saw timber in the National Park. But there was a change of government and their policy was different in that regard from the policy of the outgoing government. They

appointed a local representative in the person of Mr. Carson Stroud. For some reason I don't know they selected this Mr. Carson Stroud, who is a garage operator and gas tank operator in Glovertown, an old personal friend of mine running back a good many years when I lived at Gander. I know him quite well and still am mystified — It is quite a mystery to me why he has been appointed by the government of Canada or by the minister or Mr. Browne or someone, — Mr. Winter maybe. Someone has appointed him to hire and fire, and the fact came out on the floors of the House of Commons, and that is when I knew about it. Evidently Mr. Stroud does not see fit, in his wisdom he does not see fit to employ these sawmill operators or their employees of Cannings Cove. And if any of these employees — good, God-fearing Newfoundlanders, have not gotten in touch with the Leader of the Opposition, which it is of course their right to do, it means that now the Leader of the Opposition joins with me, joins with the minister of Mines and Resources, joins with the member for the district, joins with Mr. Pickersgill, as the noble band to whom the people of Cannings Cove are looking. But the people of Cannings Cove might be better advised if they humbled themselves and applied to Mr. Browne or to Mr. Winter or even to Mr. Carson Stroud.

Mr. Hollett: Mr. Chairman, I don't know if I join with Mr. Premier, the hon. member for the district or anyone else except the people in Cannings Cove who, if I understand the Premier aright, were entitled under an understanding between the hon. the Premier's government and the then Federal government they were entitled to employment. Now then, if that agreement is in writing I would like to see it, and if not I will say that somebody on the government side neglected to do what should have been done to protect these people. They should have had it in writing. It should have been included.

Premier Smallwood: Term 29 is in writing.

Mr. Hollett: Are you going to suggest it is another Term 29?

Premier Smallwood: Perhaps it is our blood they want.

Mr. Hollett: Would the hon. the Premier state there is an agreement in writing relative to this?

Premier Smallwood: No!

Hon. M. P. Murray (Minister of Provincial Affairs): An exchange of letters constitutes a contract.

Premier Smallwood: The exchange of letters is in regard to the use of timber, but the understanding in regard to saw mill operators and employees getting jobs was oral — an understanding between Mr. Pickersgill, who was the minister for Newfoundland in the Canadian government, and that is in his constituency. And he did see to it, but he was suddenly out or he was not with the party which was in. It is no secret that they were defeated.

Mr. Hollett: Annihilated.

Premier Smallwood: No, not annihilated. Motion, that the Committee report having passed this Bill with some amendment, carried.

HIGHWAY TRAFFIC ACT AMENDMENT:

Committee of the Whole on Bill, "An Act Further to Amend the Highway Traffic Act".

Hon. M.M. Hollett (Leader of the Opposition): Do I understand, Mr. Chairman, that this is not a party measure?

Hon. L. R. Curtis (Attorney General): No it is not — it is a private matter.

Mr. Hollett: In other words, the hon. member for St. John's North (Mr. Nightingale) can say anything he likes.

Mr. Curtis: Now, the Committee recognizes that in this Clause (4), if we strike out the word "misconduct", these words are in the present Act but we are amending it, and it is difficult to see how a minister can act under it — the bottom line of the first page: "The minister may suspend or cancel a driver's licence for misconduct or serious violations

of this Act." The committee felt the word "misconduct" was too vague. Misconduct might mean anything.

Premier Smallwood: It might be just not going to church last Sunday.

Mr. Curtis: I do not know what an ex-schoolteacher would call "misconduct". On motion, Clause (4) as amended carried.

Mr. Curtis: Now, Sir, on page (2) there is an amendment recommended by the Committee with which personally I do not agree and I think the Committee might perhaps decide on it. It is subsection (2) of Section (4). "Subject to Subsection (3) the minister shall suspend or cancel the drivers license (a) of a person who has obtained the license as a result of perjury, (There is no objection to that), or the making of a false affidavit or statement to the department, (There is no objection to that), or (b) is convicted of an offence under Subsection (1) or (2) of Section 221 of the Criminal Code." Now the sub-committee wanted to take out the words "221 of the Criminal Code." They are quite willing to let 228 stay and 281 stay, but did think that to take away the licence of a driver for a breach of 221 was rather serious because it was explained at the meeting that 221 is the hit and run clause. But since that, I have been looking at Section 221, and it is really a serious offence. Now it was argued in the Committee that you might have a hit and run accident that was very minor and in fact might not even know yourself that in passing a car you just scraped the fender. If you were passing a car and scraped the fender of the other car and went on without stopping you are strictly guilty of a hit and run.

But the section is a little stronger than that. Section 221 says that everyone who has been completely negligent in the operation of a motor vehicle is guilty of an indictable offence and liable to imprisonment for five years. Being an offence punishable on summary conviction, a man who is guilty of criminal negligence should lose his licence. The section then refers to subsections (1) and (2). Now just listen gentlemen: "Everyone having the care, charge or control of a vehicle that is involved in an accident with a person, vehicle or cattle, who, with intent to escape civil or criminal liability,

fails to stop the vehicle and give his name and address and where any person is injured, offer assistance, is guilty of an indictable offence." Now it seems to me that if a person has an accident with either persons, vehicle or cattle in which, with intent to escape civil or criminal liability he fails to stop — these words, I think, Mr. Chairman, make it necessary we should take away the license of such a man as far as I am concerned.

Mr. Hollett: Has not the court to do it?

Mr. Curtis: Not under this section they have not.

Hon. Dr. F. W. Rowe: (Minister of Highways): Mr. Chairman, may I ask the Attorney-General a question? That Committee was made up of all the legal members of the House. Was the Attorney-General a member of that?

Mr. Curtis: Yes. But, we did not have the Act before us and when Section 221 came up (that is the hit and run section) the hon. member for St. John's East said it might be very minor. But we did not have the Act before us to see these words — "with intent to escape civil or criminal liability". That makes the situation different.

Mr. Rowe: Speaking as minister, Mr. Chairman, we people have not any strong opinion one way or the other, but I suggest, if none of the other legal members of the Committee have any serious objection, to have it retained. I think it is probably better to have it retained. After all, criminal negligence is criminal negligence and something has to be shown in court. It is not a matter of hitting someone or hitting a car and going on and not knowing; it has to be proven that it was with the intent to escape civil or criminal liability. That has to be shown by the court. It seems to me there is no real objection.

Mr. Hollett: Excuse me! If a man is arrested for such offence is he not arrested under the Criminal Code?

Mr. Curtis: He could be arrested and sent to jail for two years but does not lose his licence.

Mr. Murray: The Province issues a licence and suspends it.

Mr. Nightingale: I suppose there are some people who might be guilty of impaired driving and others guilty of reckless driving, which is just as bad, in my estimation, as drunken driving. There are bad drivers in this country who don't care and have no regard for others. I think the only thing wrong is that the conviction should be according to the estimate of damage, according to the evidence. In any case, I think a driver should always stop. It is only common courtesy. If not, a driver can take off a couple of bumpers and say "Good-Bye George, see you tomorrow", if we don't have this left in. This is the only thing that is going to make motoring safe for everyone. Leave that particular section in. I think it is up to a very good and independent judge to decide what the penalty should be. Now, the penalty is something entirely different. Drivers are already insured against damage and if it is an accident — and it could be an accident; mind you, it must be proven an accident. An accident can be caused quite easily on a slippery road or by snow conditions or by driving over bad roads. The whole subject needs to be carefully thought out.

Mr. Rowe: In view of the fact the Attorney General says they did not have the Act, I move, if it is in order, that the recommendation of the Committee be accepted by the house, that Special Committee to which it was referred — that it not be accepted by this Committee.

Mr. C. Sheppard (Hr. Grace): Mr. Chairman, I think again we are missing the whole principle behind legislation of this nature. We can stand here and argue until the cows come home regarding the criminality of certain things or the civil liability, as my friend from St. John's North just mentioned. I think what we are losing sight of is the fact that here we are placing in the hands of the minister a punitive authority against which the person who has come under the minister's hand has no appeal. I tried to make that point before. Apparently I did not make it too well. I think there is another thing also we should consider: Mr. Chairman, if we place this authority in the

hands of the minister (I realize he already has it), if we now codify it I think the question that arises here is, are we not actually passing legislation that we have no authority to pass? I feel quite sure that if the Parliament of Canada, which has legislative jurisdiction over these offences, lays down certain punishments, lays down a certain scope within which a court can punish, I have grave doubts myself as to whether we can impose additional punishment.

Quite frankly, I am not too much worried about that. I leave that to people better qualified than myself to argue, but I certainly am worried about the effect of punishment like this, and I can only refer to them as punishment, because when a man comes before a court he expects that, when the books are closed on the case, he either walks out of the court satisfied with the judgment of the court, or, if he is dissatisfied, to go to the next higher tribunal and appeal his sentence. Now that, I feel, is the fundamental principle of British Justice. As a matter of fact, I feel quite frankly, Mr. Chairman, I don't think that any person who is already convicted of a crime should be subject to what I deem or dare to call a ministerial punishment. I don't think it is fair to the man concerned, to the person concerned, and I do not think it is fair to the minister concerned, and I doubt myself as to whether it will be the minister who will impose this additional punishment. In all conscience, I cannot go along with this as it is. I would go along with it if the persons who come under this ministerial act could have the right of appeal to somebody.

Mr. Curtis: Mr. Chairman, I rise to a point of order. The hon. member mentioned the minister has no discretion under this section. It is this legislation that says that if a man violates the conditions he loses his licence. It is not at the minister's discretion. It does not say the minister "may". It says the minister "shall". Whether it is Tom, Dick or Harry, anybody you like, his license automatically goes if he violates the provisions under this legislation.

Mr. Hollett: That is the very thing.

Mr. Curtis: My hon. friend referred to the minister's discretion and no appeal. The minister is only carrying out the instructions

in the legislation, and has to take the licence whether he wants to or not. He has no discretion if this goes through. By the way, I would like to correct myself — the trial court has the right to take the licence.

Mr. Sheppard: Mr. Chairman, I am afraid my hon. friend, the Attorney General, has misquoted me. I am not talking about the discretion of the minister. I am talking about the principle of putting into a minister's hands the principle of this legislation, putting into any minister's hands the right of an additional punishment, of imposing an additional punishment upon a person who has already been convicted in court, a court of justice, and has received his just deserts. If he has not received his just deserts, he has the right of appeal. If the Crown thinks he has not received his just deserts, he has the right of appeal. If the Crown thinks he has not received his just deserts, the Crown also has the right of appeal against the judgment of the lower court. That is the principle I seriously object to. I have seen it work. I have seen people come under this ministerial jurisdiction, and I don't agree with it.

Hon. Dr. J. McGrath (Minister of Health): It is not ministerial.

Mr. Sheppard: Authority is granted to the minister under this.

Hon. M. P. Murray (Minister of Provincial Affairs): It is additional penalty.

Mr. Sheppard: I think we are splitting hairs to try to draw a distinction; at least I do not see the distinction. Mr. Chairman, I feel and I want (this is the third time I have said it) to say again: If a man comes before court of law in this country for any of these offences and the court imposes a penalty, in accordance with the Act under which he is being tried, I do not think that we, the legislature of this country, should direct the minister to put an additional punishment upon him. And if the minister is directed to do so then that person has no right of appeal against the minister's decision, whereas he has a right of appeal against the decision of the lower court. I think it is a flagrant violation of the principle of common law.

Mr. Murray: Mr. Chairman, I think a good deal of what the member for Harbour Grace says is correct. I did not realize that the convicting magistrate had the right to suspend the licence. Apparently as the Attorney General informed us, he has. As the hon. member just pointed out, a man appears before the court. He is subjected to cross-examination; the magistrate has a chance to see him and acquaint himself fully with the circumstances of the case, and then, having the power of discretion under the law, suspends that man's licence for one month or six months. The magistrate, knowing the circumstances of the case decided to suspend the licence for one month. Now then, in addition, we are going to pass an Act that says, if the magistrate in his wisdom and from a first-hand view of the case, of the evidence, decides a man should have his license suspended for one month, what we are saying is that the minister shall in addition give an extra five months, without knowing anything whatever of the circumstances of the case. It seems to me rather drastic legislation. I know we are discussing it as a non-party measure.

Mr. Nightingale: Mr. Chairman, I don't see that. What if a man is guilty of a hit and run, reckless driving, and goes off and is convicted by the magistrate. The magistrate says he loses his licence for two months. Surely the only man who can take it away or suspend it is the minister who gives the licence and cancels it. It is entirely up to the evidence in the court. If it is not bad but just an accident the magistrate will say, "well we won't convict him." But people think they can travel through the highroads at 60 miles an hour and it does not make any difference about other people. These are the people that the law was made to convict — and to protect others. The real motor drivers drive their cars carefully, safely, stop at stop signs, keep inside the double lines, while these fellow do not. There are no police there, mind you, and when something happens they beat it. Eventually, he is reported and the mountie gets him, takes him to court. He is convicted of reckless driving and his licence is suspended for two or one month, according to the type of judge on the bench, and the judge tells the minister the licence is suspended and the minister cancels the li-

cence. That is how I see it. If it is not written that way it is no good.

Hon. F. W. Rowe (Minister of Highways): We are missing an important point here. We are not introducing anything new. If my hon. friend from Harbour Grace complains, he has every right to do so. Lots of us have reservations about it but it is already on the Statute books. It was done years ago by this house, and I understand similar legislation exists all across Canada. Now he is quarrelling with this legislation.

Mr. Sheppard: I always had a quarrel with it.

Mr. Rowe: We are not asking to have anything new introduced here, we are trying to clarify it and trying to make it a little better, a little bit simpler, shall I say, a little more humane just by bringing in this amendment here now. I do not know what the answer to it is — if my hon. friend wants to go ahead and change the original Act. If this thing goes through with or without the amendment suggested by the Committee I will, during the next year bring before my colleagues in the government the thoughts just expressed by my hon. friends and others here about the original legislation to see whether or not the government would be prepared at the next sessions to recommend an amendment. If however you throw out this Bill as it is now, you have not done a single thing. We still have the original legislation there — I don't know — one way or the other — I say if this clause is passed as it is now either without the suggested amendment or not, then between now and the next session I will undertake to bring to my colleagues the views expressed here by the member for Harbour Grace and others as well.

Mr. Hollett: Who are your colleagues? They are all here.

Mr. Rowe: That is in Cabinet.

Dr. James McGrath: Mr. Chairman, I would like to speak on this. I have strong feelings about it. I feel the clause should be left exactly as it is. It is very necessary to restrict hit and run driving and I think no softness should be shown. I have suffered from it myself and have seen other people

suffer. The suggestion that we have not the right to pass such legislation is not tangible for a moment. The court only should take on the laws that are made by this house. This house has a perfect right, and plenty of precedent, for saying that under certain circumstances the penalty should be so and so. That is what we are saying. A person found guilty of hit and run should lose his licence for a certain period of time. Surely, unless I am very much mistaken, our legislation is filled with instances saying for such and such circumstances the punishment shall be imprisonment for a certain time, with an option of time.

Mr. Hollett: Not by the minister.

Dr. McGrath: This is not by the minister. That seems to be the mistake. This does not give the minister the right to do it. The minister is simply the instrument by which this house imposes it.

Mr. Hollett: I cannot quite take that, Mr. Chairman. The minister is ordered by this house, under this legislation, whether it is a simple scrape or a small offence.

Mr. Rowe: It cannot be a simple scrape, as it says: "Who has been convicted of criminal negligence or who has hit and run away with intent to escape from the penalty".

Mr. Hollett: If you are going to do what you are doing here you are going to make it so that the judge or magistrate is going to let off a lot of people who should be convicted. We should be a little more careful here. The minister can say, alright, we will make it five months more. I do not think any minister should be ordered to do a thing like that. The courts are given the right to impose penalties. Let the courts do it. Why bring in any minister and make the minister a judge over and above the magistrate of the court? I think it is wrong and I fully appreciate the wisdom of the statement made by my hon. friend from Harbour Grace and also the minister of Provincial Affairs. I think it is very wise not involving the minister. And, Sir, it is really not involving the minister but involving this house. We are going to say to the magistrate down in the magistrate's court, we are going to take away the licence for such and such an offence, this house. It

is not good enough, Mr. Chairman. I personally am not going to make myself responsible for doing a thing like that. The judges and the magistrates are there and have the right to carry out the criminal code and why should this house interfere and step up the punishment?

Hon. F. W. Rowe (Minister of Highways): Before the Attorney General speaks I want once more to make this point: If that Bill is withdrawn, or that section, the fact remains the house has interfered. The house here years ago passed the legislation. It is here on the books.

Mr. Hollett: But we have already altered it.

Hon. L. R. Curtis (Attorney General): Mr. Chairman, I move the Committee report progress and ask leave to sit again. Carried.

On motion, the Committee recessed for 10 minutes after which Mr. Chairman, returned to the Chair.

Committee of the Whole on Bill, "An Act Further to Amend the Summary Jurisdiction Act".

Mr. Hollett: May I ask, Mr. Chairman, if this legislation is copied from some other legislation? It is rather unusual to have summons served by registered mail.

Mr. Curtis: It is a new effort, due to the fact all summons outside St. John's are served by the R.C.M.P., and members of the profession find it is very expensive. In the old days, when there was a constable in every settlement, it was completely easy but now when they are located at strategic points, it means considerable travel and mileage and it runs up. In the second place, traffic summons are terrifically numerous. I think there were 10,000 or so this year. Imagine the physical labour of serving 10,000 summonses. So, Sir, we felt, as an experiment, this could be very well tried.

Motion, that the Committee report having passed this Bill without amendment, carried:

Committee of the Whole on Bill, "An Act To Amend the Conditional Sales Act".

Mr. Curtis: The sub-committee reported

on this Bill, Mr. Chairman, and recommend the deletion of Clause (3).

On motion, Clause (3) deleted.

Clause (3) — (1) Subsection (3) of Section (12) of the said Act is amended by deleting the words "the seller may sell the goods by public auction" and substituting therefore the words "the seller may sell the goods either by private sale or at public auction". Motion, that the Committee report having passed this Bill with some amendment, carried.

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

Mr. Clarke (Chairman of Committee of the Whole): Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report having passed Bill No. (83) without amendment.

On motion, report received, Bill ordered read a third time on tomorrow.

Mr. Clarke: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report having passed Bill Nos. (79), (56) and (66) with some amendments.

On motion, report received, Bills ordered read a Third time on tomorrow.

Mr. Clarke: Mr. Speaker, the Committee of the Whole have considered the other matters to them referred and have directed me to report progress and ask leave to sit again. On motion, report received, Committee ordered to sit again on tomorrow.

Notices of Motions:

The hon. the Attorney General asks leave to introduce a Bill, "An Act Further to Amend the Public Utilities Act."

On motion, Bill read a first time, ordered read a second time on tomorrow.

Supply

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

CONSOLIDATED FUND SERVICES:

Hon. M. M. Hollett (Leader of the Opposition): 101 (03) Victory Loan — That has been paid off?

Premier Smallwood: Yes.

Mr. Hollett: We come down to 101-10-(02). Is that loan yet to be raised? I take it it has not been raised yet? It is a loan for \$5 millions.

Premier Smallwood: Is not that the temporary loan to the bank?

Mr. Hollett: I don't know.

Premier Smallwood: Let that stand and we can get the explanation on that item.

Mr. Hollett: While on that, Mr. Chairman, I would like to remind the Committee that when the present government came into power in 1949, the only thing left there were the war loans and victory loans, but today we have quite a number of loans amounting in all to some \$65 million, and in addition we have other loans — I forget the proper title, loans made to fishermen, town councils and that sort of thing.

Premier Smallwood: Guaranteed loans.

Mr. Hollett: Thank you very much! Well, they are really loans the same as these here.

Premier Smallwood: Yes, but this is expenditure. This shows interests that we have to pay on money we have borrowed. This does not show interest we have to receive on the loans we have made.

Mr. Hollett: Received?

Premier Smallwood: We have to receive interest on the loans we have made.

Mr. Hollett: I know. Perhaps the hon. the Premier could tell me where if ever, we get interest on loans.

Premier Smallwood: We are debating at the moment interest we have to pay.

Mr. Hollett: What I want to point out is that

in addition to what is there we owe additional monies; I think close to \$100 million today.

Premier Smallwood: Not at all.

Mr. Hollett: Perhaps the minister would tell us just how much do we owe? I mean just how much do we owe by way of funded debt and by way of money we have loaned to the fisheries and new industries.

Premier Smallwood: All of that information the hon. gentleman has. That has been tabled in the house. He has it.

Mr. Hollett: I just asked for the total amount.

Premier Smallwood: He has not only had it in total, he has it in detail.

Mr. Hollett: There is \$5,000,000 there you don't know anything at all about.

Premier Smallwood: I asked, and the hon. member agreed, to let it stand, that one item.

Mr. Hollett: Yes, let it stand.

102 — SINKING FUND:

Mr. Hollett: I think I asked a question last year — I forget the answer given at the time. It was in regard to the sinking fund on these particular loans. Is there an amount set by separately in the bank against the sinking fund to the credit of the various loans, in the sinking fund setup?

Premier Smallwood: Yes, with trustees running it.

Mr. Hollett: Who are the trustees?

Premier Smallwood: The Bank of Montreal -

Mr. Hollett: The Auditor General, I suppose.

Premier Smallwood: The Deputy Minister of Finance and the Comptroller and perhaps the Chairman of the Governors of the Savings Bank.

On motion, Item 102 — Sinking Fund — Carried.

104 — STATUTORY SALARIES

Mr. Hollett: In other words, Mr. Chairman, the total of Consolidated Fund Service is \$4,377,500. That is something we will pay year after year until we get the loan paid off, and probably another \$10 million will put it up another \$500,000 or \$600,000 and bring it up close to \$5 million by the end of the next year. We will have to find, every year, for this current account on Consolidated Fund Services — I say this having reference to the 10 year liability — this \$5 million added to the expenditures which we did not have 10 years ago.

Premier Smallwood: Yes, the hon. gentleman will remember that \$2.5 million of this is interest, \$2.6 million. The hon. gentleman will remember that, when the population of Newfoundland was 250,000 people, i.e. about 200,000 fewer than it has now, the interest alone, just the interest on the public debt, was over \$1,000,000 a year. The interest was twice what it is, now there are 200,000 more people in Newfoundland, and the economy of Newfoundland is far more diversified and we have a far greater ability to pay. I will put it this way: If today Newfoundland has to pay each year the same amount in interest that it did when our population was 200,000 fewer than we have now, if we had the same amount to find we could find it far more easily because first there are 200,000 more of us than there were then to do it, and secondly we have a far, far richer country and a far more diversified economy.

Mr. Hollett: I wonder if the hon. Premier would allow me to ask him just how is our economy more diversified than it was fifty years ago?

Premier Smallwood: Quite so. There is at least \$100,000,000 a year coming in to our people now in various forms, primarily from Ottawa.

Mr. Hollett: I was talking about the economy.

Premier Smallwood: That is the economy. That is money, in cash, pumped into our Newfoundland economy. Now also we have these great American bases that we did not have then. Now we have the great iron development in Labrador which we did not have then. Now we have a large number of very large fish plants, not one of which we had then. The paper mill at Grand Falls is almost half as big again as it was then, and the mill at Corner Brook is bigger again as it was then. It was then 400 to 500 tons a day and it is now 1100 tons a day. Buchans was not in existence at all then. We have a new copper mine at Tilt Cove, which is quite important. We have a mine at St. Lawrence which did not exist then and indeed a second one, which, true, is not quite so flourishing as it was a year or two ago, but it is there. We have the great airport at Gander which gives a very great strength to our provincial economy, pumping millions of dollars into our economy and providing employment for many, many hundreds of our people. Our railway has about twice the number of employees than it had then, and is now operated by the C.N.R. which pays far higher rates of pay than then. We have a Federal civil service in Newfoundland of over 4,000 persons. All of these things and many others, put together, mean that Newfoundland is in a far better position today to pay \$5 million a year interest than she was when she actually paid \$5 million. We are now only paying half of that, \$2.45 million, to be exact \$2,645,000, roughly \$2.5 million.

Mr. Hollett: Mr. Chairman, the hon. the Premier is giving various reasons to show we have been very extravagant. We are increasing the funded debt by \$6 million a year for the past 10 years, under this section. And, the hon. the Premier has told of the wonderful economy with money coming in by the millions. That is all the more reason why we should have very little funded debt. There should be enough collected in taxes to take care of the ordinary needs.

Premier Smallwood: Enough is collected to take care of the ordinary needs.

Mr. Hollett: We had a couple of years when we had a deficit on current account. There were various years when we did not have

huge surpluses. We were reported to have yesterday \$10 million or something, was it? I want to mention it but the particular news media is not here at the present and I would not take unfair advantage. I think people everywhere ought to be more careful when they state things. I am not referring to anything stated in the house but to a statement made outside the house.

I can only point out, Sir, some of these loans were, in my opinion, brought on by the extravagant spendings by the present government, extravagance in many ways and on many occasions, wasteful spendings. Not intentionally, I will admit, not by intention but without due claim to the possibility of ever getting any return for it, for the money they were putting out. However, I want to make it definite to all of us here that we are increasing our national debt at the rate of \$6 million every year, and if we keep on for the next 50 years — the Premier referred to \$100 odd million we owed after 100 years of Responsible Government — that was only at the rate of \$1,000,000 a year. Now we are increasing at the rate of \$6 million a year, during the past 10 years. If we keep on doing that, in 40 years from now it will be \$300 million. We cannot afford to run up a national debt which is going to demand that we lay aside so much for interest for every year. Here we have to lay aside \$2.6 million as the interest.

Premier Smallwood: Of course there are two ways of putting it! — One way is to say we are increasing our funded debt by \$6 million a year and building 100 new classrooms a year and so many hospital beds a year. Put it either way. When you say you are building so many miles of road a year, it is only another way of saying we are expanding by so many million a year. When we say we are building 100 classrooms, and that is about what we have built — we have built 1100 class rooms in 10 years, which is slightly more than 100 a year — that also could be expressed in another way, that we are spending that many million dollars a year because a classroom costs, I would imagine, about \$15,000 or something of that order, and a hospital bed costs about \$15,000 to provide; not just the bed and bedclothing but the room that the bed goes in, the building that the bedroom goes in, the whole thing works out on the basis of

so many beds at so much a bed. The opposition does its duty when it reminds the public that the government spends so many millions a year or borrows so many millions a year. A government, understandable, puts it another way and says to the public: We are building so many miles of road a year and building so many classrooms a year and so much of this and so much of that and the other thing each year. Now, so long as both views are put to the public they will nod and say: Yes, they are borrowing the money — we are getting the classrooms. They are borrowing the money — we are getting the hospitals. Newfoundland cannot expect to get these things free, and certainly does not want the government to tax the people so much each year on current account as to pay for these things in full. Why should not the generation 20 years from now, that will be using these hospitals help to pay for them? Why should this generation living today pay the full cost of roads and schools and hospitals that a generation 10 years from now and 12 years or 15 years from now will be enjoying? Why should they go "scot free"?

Mr. Hollett: I am quite sure, Mr. Chairman, that what the Premier says sounds very well, but I hope he does not forget the little booklet he wrote four or five years ago in which he stated that it would be unheard of for his government to borrow money.

Premier Smallwood: I did not say that.

Mr. Hollett: What did the hon. the Premier say?

Premier Smallwood: I remember very well! I said — and I should remember as it was one of the few speeches I ever wrote out and read to the house — I said it would be unthinkable for the Government to borrow money except for the purpose of capital account development of Newfoundland. That is all we do borrow for. I hope and pray that that is all this or any other government in the future in Newfoundland will ever borrow for. Unlike the history of years gone by when, year in and year out, steadily, without exception, between the two world wars, the government had to borrow money annually to help meet the cost of the ordinary current account expenses. I hope that day will never come. Any borrow-

ing we do will be for capital improvement — for the sake of Newfoundland.

Mr. Hollett: Did not this government have to do that last year?

Premier Smallwood: We had to have an overdraft at the bank which is still costing us money, because a certain right hon. friend of his has not yet, in his wisdom, seen fit to ask parliament, the Parliament of Canada, to pay us the money he himself says he owes us. He said just before the Easter Recess, the Easter rising of the house, that the Government of Canada was paying this money. He still has not paid us. We are paying interest on that yet at the Bank of Montreal. We had to borrow that, yes. But, I would have thought the hon. Leader of the Opposition would have let that matter just rest.

Mr. Hollett: It is one of the results of Confederation.

Mr. Smallwood: One of the results of Confederation is that we have to deal with the Government of Canada, whoever they happen to be. We all know who they are.

Mr. Hollett: We did not a few years back.

Premier Smallwood: We knew who they were then too.

Mr. Hollett: Not on this side.

Premier Smallwood: Everybody knew who they were and who they are.

Mr. G.R. Renouf (St. John's South): There is one point I would like to make. Is there any policy in the Government's mind as to how far the government will follow the insatiable appetite of humanity for everything under the sun? Is it not the duty of the government to place a kind of restraint, or not a restraint ordinarily, but is it not the duty of the government to be very wary of how this terrific build up of public debt should be controlled? Human nature being as it is, we will never, never be able to satisfy all the growing demands. I would suggest that a government should always inject a note of caution as part of the overall financial policy of the government.

Premier Smallwood: I apologize, Mr. Chairman — the minister of Finance and I were conferring for a moment so I did not have the pleasure and benefit of hearing the hon. gentleman. I wonder would he make the point again? the hon. the Attorney General tells me what the hon. and learned gentleman enquired — was there a policy of borrowing money every year and if so what the policy was. I am happy to answer that.

Mr. Renouf: That is not quite it. I merely asked that if, in the broad outline, whether the government did have a policy of normal caution in building up of this public debt; whether the government had not that caution which should always enter into the financial policy; that human nature being as it is, modern times demanding and demands building up so very, very strongly, that a government has a responsibility to at least moderate or control in some reasonable way the unforeseeable urgency that there is abroad these days to get everything we want.

Premier Smallwood: I could not possibly agree with the hon. and learned gentleman more than I do. I agree completely that this government or should I say, perhaps, this present administration of the government of Newfoundland believes, as I think any administration are bound to believe, whoever they may be, that Newfoundland is the most backward province of Canada in mere physical or material conveniences. I am not permitted to debate the budget at this moment. My colleague, the hon. minister of Finance, pointed yesterday to the great advances of these 10 years in the way of road building, school building and hospital building and so forth. He did not say, as he might have done with equal truth, that after all that money had been spent Newfoundland was still whole decades behind the next most backward province of Canada. There is no question about it — Newfoundland is backward. There is no question about that, in roads and the like. But how are we going to catch up? We are going to catch up now, perhaps not entirely, in the manner we are doing. We are going to catch up by spending our own money to build roads and hospitals and schools and everything else. We have no choice in that. We do hope and believe it is just that the government of

Canada should help us in doing it. We believe, for example, that the policy of the government of Canada in sharing with the provincial governments the cost of building the Trans-Canada Highway is a good one; that the policy of the government of Canada in agreeing to pay 90 per cent of the cost of the Trans-Canada Highway in each province as to the last 10 per cent of it, the last 10 per cent of the road, of the mileage; we think that is a good policy. We think the policy of the Canadian government to share with Newfoundland and the other provincial governments the cost of hospital services is a good policy. We think there are many ways in which the government of Canada can help development in the provinces, especially the more backward provinces. And, Sir, I believe they will continue to do so. But, Sir, the fact remains that the bulk of the progress must be paid for out of our own pockets.

Now, there are two ways of doing that. There are two ways for the treasury of Newfoundland to pay the bulk of the cost of the building of new roads and hospitals and schools and building new water and sewer services and this, that, and the other things. There are two ways only for the Treasury to do it. One way is to impose taxes on the present generation, living now, this year. We could bring in this year for example a sales tax, right now, in this present session, that would bring in say another \$3 or \$4 million this year, from the Newfoundland people, than the present sales tax will do. That could be done by simply raising the rates from 3% to 4% or 5%. In that way, we could take another couple of million a year from the Newfoundland people this year. We could take another couple of million from the Newfoundland people this year by raising the gasoline tax. We could take another million or two by raising the price of liquor or the profit to be surrendered to the Treasury.

That is one way to build these roads and schools and hospitals out of current account revenue that we will get this year and next year and every year — by increasing the taxes on the existing generation. That is one way. The only other way, is to make the future generation pay their just share of the cost of the creation of, the building of the roads now that will be enjoyed not only by us

now but by them then; In other words, using the credit of Newfoundland to sell its bonds to raise the money to build the schools and hospitals and roads and everything else now that has to be done. Now, my hon. and learned friend urges "caution". With caution, we never will get it done — let us not fool ourselves about this. We never will get it done. Are we to say to the Newfoundland people it never can be done, when you find you have to build roads in Newfoundland to connect every last settlement in Newfoundland, and then a year and a half after, 18 months later, they will be in with petitions wanting the roads plowed in winter, and a year and a half after that asking that the roads be paved. And, Sir, God bless them and their spirit! But, Sir, never, never, will we catch up with it. We will never overtake it. And a government has to weigh carefully the ever increasing demands of a people who now want the best; we must weigh that against the cost of providing it.

There is also a third thing we can do — We can hope and pray that there will always be in Ottawa (we can hope and pray, and we may do a little work in election times, but certainly in the meanwhile we can hope and pray there will always be in Ottawa) a government that prizes Newfoundland, that appreciates Newfoundland, that is proud to have Newfoundland as part of this Canadian Nation. We can always hope and pray for that and look for that and look for every increasing understanding in Ottawa, the kind of understanding for example that caused the present government to give this \$100 million a year to the four Atlantic Provinces, our share of which is \$7½ million a year, for four years. That is alright. There is nothing wrong with that, and the kind of understanding that caused the previous government to do other things — more of that. We can hope and pray for that and we then won't have to borrow as much as we would other wise have to borrow. I hope I have treated the hon. gentleman's question seriously and that he now feels more reassured in his mind than he did.

Mr. Hollett: I think the hon. the Premier has given a very wonderful answer to the question raised by my hon. colleague, but I still think too we have to be very careful

about borrowing money to build roads, if you like — but where are we building these roads? I refer now to a place in the hon. the Premier's own district from where I had a man to see me the other day, which happened to be rather strange. He was from Wesleyville in the Premier's district. And that man informed me —

Premier Smallwood: That must have been one of the 10 men out of 500 who voted against me.

Mr. Hollett: That was one of the 500. The point I want to make is this: Wesleyville, from time immemorial, was a fishing settlement and the people there lived by the sea. He told me there was not one man in the settlement cod fishing this year. Well now, you have spent a good many hundred thousand dollars, I believe, in building a road there to Wesleyville — and I am glad they have the road — do not misunderstand me about that. But, Sir, if the people don't fish in Wesleyville, what are they going to do in Wesleyville? I pick out Wesleyville, because there are 101 places of the same kind where the people live by the fishery. Is there any point in building roads to settlements where there is no industry whatsoever? As a matter of fact, it was one of the policies of this present administration that the fishermen haul up their fishing boats. The hon. member who stated that is no longer in the house — haul up their fishing boats and go in and get into the new plants. Unfortunately, too many of the people listened and did just that and consequently the desire to fish and the ability to fish now soon will be lost in places like Wesleyville, where the government has already borrowed money to build roads. I am not saying they should not build roads to Wesleyville, nor any other place, but I do think we have to make an overall plan for Newfoundland and not just for Bonavista North, nor just for Wesleyville, nor just for any particular section of the country but an overall plan for Newfoundland. A plan will have to be developed based on the industry of Newfoundland and the possibilities of new industries in certain areas of Newfoundland. There is no point in borrowing money to build a road to nowhere. That is one danger. That is the only reason we on this side raise that point.

Premier Smallwood: I might have said when I was talking about making the future generations help pay for roads that they will be using — other public conveniences — Why should we now in this present generation, by our annual taxes, contribute to the full of cost of building conveniences which we won't enjoy? In 10, 15, 20 years from now other Newfoundlanders will be enjoying them. Why should we pay the full cost? Why not they pay it through a bond issue. I have a note from the minister of Health who, in an endeavour to help me in my argument, sends this to me. As an Irish statesman said in the Irish House: "Why should we bother about posterity? What has posterity ever done for us?"

Mr. Hollett: The trouble is, what do we do for posterity?

Hon. E. S. Spencer (Minister of Finance): Mr. Chairman, there were two questions raised by the hon. Leader of the Opposition which have some bearing on the department which I have the honour to represent, and I want to give a complete explanation, if I may.

The first one he referred to was that loan of \$5 million on page 24 of the Estimates. I may say that this indicates some of the very caution that the colleague of the hon. Leader of the Opposition referred to. That loan has not been raised. It is a sort of estimate of what may possibly be raised. So that particular item there is in anticipation of interest which will become due this year. Now, the fact that it is marked as five there does not add \$5 million to the loan. We had authority to raise the loan, but the policy of the government is such as to borrow as little as possible, so we did not raise it all, but only part of it.

The second point raised was the actual loans outstanding. In this connection it is quoted in the appendix, Page 131 of the Estimates. There the hon. Leader of the Opposition will see that the total amount of loans, including an anticipated loan at the time the estimates were made up, of \$9 million for this year, comes to \$61.5 million. Now, that \$9 millions would naturally be deducted from that as it has not been raised, not a penny of it, up to this moment. That brings it down to \$52 million. Forgetting that, for a moment the actual position is that the loans

outstanding at this moment, taking into account the sinking fund which we have accumulated from loans and other earning powers, is actually \$43,850,000.

Now, the hon. Leader of the Opposition might ask me how I obtained these figures. Take the \$61.5 millions. Deduct from it the sinking fund which we have in hand, which is \$8,650,000 and that will give him \$52,850,000 as shown here. Now deduct from that the \$9 millions which we estimate we may raise in the future and he will arrive at \$43,850,000. I trust that explanation will help the hon. Leader of the Opposition to see. These are the loans outstanding, and the \$9,000,000 estimated loans for this year. I think that will help the hon. Leader of the Opposition to see what caution has been observed. I would like to make a slight reference to a reference yesterday to curtailing expenditure on current account in order to provide capital. I do not propose going into that as it would be debating the budget.

Mr. Hollett: Could the hon. minister tell us why, on page 24 the loan is \$5 million and on page 131 it is \$9 million?

Mr. Spencer: That again is based on estimates. That is only anticipation.

Mr. Hollett: Why one on page 24 — by the time we arrive over there, perhaps the loans will have gone up. Reference was made yesterday to \$10 million, and the reference here is to \$9 million, and we come back to page 24 and find a loan of \$5 million — a little bit confusing.

Premier Smallwood: Actually it is the Loan Bill which covers that.

Mr. Hollett: Yes.

LEGISLATIVE: 11:

Mr. Smallwood: Mr. Chairman, on 201-02, I believe it is the desire of the house to send Mr. Spencer, again this year to the parliamentary conference in Australia. The total cost of the trip is borne by the Commonwealth Parliamentary Association and not by Newfoundland. Newfoundland contributes a regular annual amount.

EXECUTIVE COUNCIL:

On motion (301) through (304) carried:

DEPARTMENT OF FINANCE: IV:

Mr. Hollett: There is a new official there, Grade VIII?

Premier Smallwood: Actually that is provision for a new post, the necessity for which was pointed up very recently by the three month's illness of the assistant deputy minister, Mr. Coombs, who was sick for three months. That left the department there with no one except the minister and the deputy minister. If the minister were out of his office and the deputy minister were called down to some other office, there would be nobody there. So this makes provision for it but they have not gotten anybody.

Hon. E.S. Spencer (Minister of Finance): The point actually is, the man we have in training may possibly be promoted to that position and another man fill in.

Mr. Hollett: In other words the position has not been filled yet?

Mr. Spencer: That is right.
On motion Items (401) and 402 carried:

Mr. Hollett: Under (404) — Pensions and Gratuities, Mr. Chairman, I was thinking of the report of the Commission set up.

Premier Smallwood: It will interest the house to know, Mr. Chairman, that this very day, this forenoon, the government received the very first document from the Royal Commission on Pensions. This document consisted of an interim report, a brief interim report. I received it this forenoon and passed it immediately on to my colleagues who perhaps have not even yet read it and certainly have not considered it as a cabinet. I have not read it myself. Some ministers may perhaps have read it during lunch. I would have done so except that I had lunch at the Newfoundland Hotel today. As soon as possible we will all read it and meet and discuss it, but apparently we are soon to get the report.

Mr. Hollett: We could let that stand until the report is considered.

Premier Smallwood: That might be weeks. It is only an interim report. It is not the final, full body of the report. In any case, it would be weeks before we could deal with it.

Hon. E. S. Spencer

(Minister of Finance): It is doubtful if we can deal with that until next year's estimates.

Premier Smallwood: We will be tabling the report in any case. Probably not until next session will we be able to ask the house to implement the report and recommendations.

Mr. Hollett: Mr. Chairman, I wonder if the hon. the minister could explain to the house the system of constabulary pensions. I just want it clear because I want to raise another matter later. What is the system with regard to the constabulary pensions? What rates are they paid? Could the minister inform me on that?

Mr. Spencer: All I could do is divide it out the same as anyone else could do it.

Hon. L. R. Curtis (Attorney General): That is very generous. I could get it for you. I do not bother myself about the details of the operation of the department. They do give pensions to police and firemen after 25 years services, which is a very short time, a very youthful age. They are given allowances. For the purpose of pensions, their housing allowance is included.

Mr. Hollett: There is one other reason I raised the point. I know some police officers who do not seem to get quite enough to live on. They were retired some years back. We are hoping the government will be able to let that stand.

Mr. Curtis: That has been under consideration a long time, and we decided to leave it for this Commission on Pensions.

Hon. J. R. Smallwood (Premier): Mr. Chairman, I believe the hon. the Leader of the Opposition knows the hon. the Attorney

General would be happy to bring down the details of the present system that will probably be superseded by the recommendations.

Hon. Dr. James McGrath (Minister of Health): Almost half seems to be for railway pensions. I suppose that in the course of time that will disappear.

Mr. Spencer: It will take a long time.

Mr. Curtis: It is a decreasing one — No, I would say increasing.

Mr. G. R. Renouf (St. John's South): From what does it derive?

Hon. M. P. Murray (Minister of Provincial Affairs): As of Confederation, everybody at the railway who had put in so much time is eligible when the time comes for their pension. I understand we are responsible for the pensions up to the date of Confederation, and the pension would be based on the full, final years.

Mr. Renouf: Is that Term 39, this railway pension?

Mr. Curtis: It may be 39, I don't know.

Mr. Renouf: Is there not Term 29 as well?

Premier Smallwood: I don't remember the number.

Mr. Hollett: I am trying to find out what the railway pensions are.

Premier Smallwood: The position is there has been, as we quite confidently expected at the beginning of Confederation, a steady upward trend in railway pensions until they would reach a certain crest at which point they would begin to taper off quite rapidly. Apparently, they have not yet quite reached the crest but they must be getting pretty close to it. They will begin to taper off and finally disappear, and the railway pensions then will be entirely the responsibility of the Canadian government — these pensions apply only of Newfoundlanders, railwaymen, in respect of their service before the date of Confederation. There will be fewer and fewer men over a period of time

eligible for pensions under that heading, and more and more as time goes on will be eligible for pensions direct from the CNR.

Mr. Hollett: Why the increase?

Premier Smallwood: It is still increasing.

Mr. Hollett: More people now reaching retirement age, is that it?

Premier Smallwood: That is right, and this government has to pay for their services prior to the date of union.

On motion, Item (404), Pensions and Gratuities, and Item (405), Taxation Division, carried:

Mr. Hollett: Under (406) — Miscellaneous: Management expenses for the public seems to have gone up out of all proportion, from \$20,000 to \$135,000. Then I notice the actual amount for 1957-58, \$618,573. Surely that is not correct?

Hon. E. S. Spencer (Minister of Finance): Oh yes, we had loans that year.

Mr. Hollett: What is the cause of the increase from \$20,000 up to \$135,000?

Mr. Spencer: The major part of that is provision for commission on cashing of from chartered banks; it is just a transfer to that particular item.

Mr. Hollett: It is not a new account, it is just a transfer. What account has that been transferred from?

Mr. Spencer: At the moment I cannot give that answer. I will enquire for the hon. member and get the information.

Premier Smallwood: Let that item stand, (406). Under this General Contingencies vote, we do not know what may happen in the course of the year. It is to cover anything which may crop up in the year not specifically covered in some department.

Mr. Hollett: If I may, I would like to com-

mend the hon. minister of Public Works for the able and businesslike manner in which the arrangements were carried out in connection with the visit of Her Majesty the Queen. Today I had the privilege of taking a look at the opening of the Seaway with Mr. Eisenhower, and I noted there the program and the way everything was arranged, and I figured the arrangements carried out here were far superior to what they were there. I would like to say how very much I appreciate the way in which the minister carried out the arrangements, and I want to congratulate him. It would not do to congratulate the government.

Premier Smallwood: I will convey the hon. member's congratulations to my colleague.

Mr. Hollett: I would appreciate it very much. I think he did a masterly job. On motion, items (407) through (411) carried.

Premier Smallwood: I think that concludes the department of Finance. We might leave it at that. That is a good start.

Mr. Spencer: I move the Committee rise, report progress and ask leave to sit again. On motion Mr. Speaker returned to the Chair.

Mr. Clarke: Mr. Speaker, the Committee of Supply have considered the matters to them referred and have directed me to report having passed estimates of Current Expenditure Finance.

On motion report received, committee ordered to sit again on tomorrow.

Premier Smallwood: Mr. Speaker, I move the remaining Orders of the Day do stand deferred, and that the house at its rising do adjourn until tomorrow, Monday at three o'clock. I fear I have made this motion without consulting the hon. Leader of the Opposition, but I would hope he was not planning nor expecting that the house would meet tomorrow, Saturday. If Monday is agreeable, we will meet on Monday.

On motion, all remaining Orders of the Day do stand deferred.

On motion, the house at its rising adjourned until Monday at three o'clock.

Monday, June 29, 1959

(Afternoon Session)

The house met at three o'clock.

Mr. Speaker in the Chair.

**MINISTERIAL STATEMENT:
STATUTORY HOLIDAYS:**

Hon. J. R. Smallwood (Premier): Mr. Speaker, I have an announcement to make that I know will interest a great many people in St. John's particularly and in a great many other parts of the Province. It has to do with the subject of holidays, statutory and otherwise. Last year or perhaps the year before, this house appointed a Select Committee to consider and report on the subject of statutory closing of shops. The report was received by the house, and I have it before me at the moment. In addition to that, the cabinet appointed a sub-committee, some months ago, to consider the whole question of statutory holidays particularly as they apply to civil servants. This morning the cabinet took a real decision to bring into this house certain proposals for adoption here.

Now first, as to the civil servants — and this is something which does not require legislation, it requires only an order to be passed by the government — and that has been passed. Beginning on January 1 next (do I make that thoroughly clear?), commencing on January first next, the number of statutory holidays for the civil service will be one more holiday a year than the federal civil service now have. The number will be 11 a year. The federal civil servants have 10 a year. Now this 11 is a reduction for our provincial civil servants, from 17 a year to 11.

The eleven are as follows: New Year's Day, Good Friday, Easter Monday, Empire Day, Memorial Day (that is July 1st), St. John's Regatta Day, Labour Day, Thanksgiving Day, Armistice Day, Christmas Day and Boxing Day. Boxing Day is the one day that will be given to our provincial civil servants that is not given to the federal civil servants. Boxing Day is purely an English holiday, which Newfoundland has adopted. That is

a total of 11 days that have hitherto been holidays, and will continue to be after January first next, the holidays that will go out as provincial government holidays are "Burns Day", St. Patrick's Day, St. George's Day, St. John's Day, July 12th (that is the Glorious 12th.) (Victory in Japan Day). These are the days that are presently holidays in provincial civil service that will not be holidays after January first next.

Now secondly; we have ordered that there will come into effect on the same date, January first next, the provision that every Saturday in the year will be a holiday, a whole holiday for the civil service, the provincial civil service. Every Saturday will be a holiday. Where one of these 11 statutory holidays falls on Saturday in any one week, that Saturday will still be a holiday, whereas, of course, now it is not so. Last week, for example, there was a holiday. I think it fell on Tuesday and Saturday was not a holiday and civil servants came back to work. In this present week we have a holiday and the civil servants will get it but will have to come back to work on Saturday. But next year, commencing January first every Saturday will be a whole holiday.

Now, point number three, again referring only to the civil servants: At the present time civil servants receive, I think it is from two to four weeks, or three to five weeks at the present time, and for years past the provincial civil servants have received from three to five weeks of working days as a vacation. We are reducing that for all civil servants, to make them all the same, every civil servant. Beginning January first every civil servant will have exactly the same vacation, which is 15 working days a year. now when it is added up it is as follows: 11 statutory holidays a year, 52 Saturdays a year and 15 days vacation, or a total of 78 days a year. I thank the hon. gentleman for his mental arithmetic, rapid mental calculations. He was adding it on paper but without the use of his fingers — very creditable; 78 days a year, which is one day a year more than in the federal civil service. Now may I say that when we reduced the vacation, which is presently three to five weeks, depending on seniority, to 15 days a year there will still be a net gain of one day a year overall for the senior civil servants and seven days a year for all other civil servants.

Now, commercial: What I have said up to

this moment applies only to the provincial government civil service. Is that thoroughly clear? What I am going to say now, from this moment, deals not with the civil servants but with shops and office workers everywhere in Newfoundland, until I say otherwise. For shopworkers everywhere in Newfoundland the same statutory holidays — the same 11 days. I am going to speak now about shop and office workers in St. John's and in St. John's only: We are going to ask this house at this session, in the present session, to enact legislation applying to all shop and office workers in St. John's other than civil servants, and coming into effect on January first next, and not before January first next, a five day week by law and 40 hour week, a five day, 40 hour week. That is to say that no shop nor office worker shall be allowed by law to be employed for more than five days a week or 40 hours in those five days. No shop nor office worker may be employed on Sunday. Sunday is barred. And every shop and office worker may be required, as part of the 40 hours, to work one night in the week until not later than 9:30 P.M. which is the same as now. And if within the five days a shop or office worker is asked to work more than 40 hours, which is standard, he gets time and a half for the time worked over the 40 hours. I need scarcely say that in fixing a maximum of five days a week consisting of 40 hours a week, we are reducing the work week from 44 hours a week — which is now, to 40 hours a week, which it will become on January first. It is a reduction of four hours a week in the work week for shop and office workers; and all this that I have been saying deals only with shop and office workers in St. John's.

Now, may I go on to the fourth heading, i.e. shop and office workers outside St. John's. I think of such places as Bell Island, Carbonear, Bonavista, Gander, Grand Falls, Botwood, Twillingate, Buchans, Corner Brook, St. George's etc. We have at this moment no clear idea of what they want. If they will make very clear to us what their wish is in this matter, that is to say, whether they wish to remain as they are or to have the same legislation made to apply to them, then, in the next session of the house the government will undertake to bring forward to the house legislation giving them their wishes. I think, Sir, I have covered every point.

I would like to be thoroughly clear that, although this comes into effect on January first, there is one thing that does not come into effect until April first and that is the Civil servants vacations, the change in the civil servants vacations, bringing the number of days down to 15. We want that to come into effect at the beginning of the new financial year rather than the new calendar year. So the change in the civil service vacations will not come into effect until the beginning of the new financial year, that is April first next year, 1960. I think I have made the things thoroughly clear, as far as I know how to do.

Notice of Motion:

Premier Smallwood: Mr. Speaker, I give notice I will on tomorrow ask leave to introduce a Bill, "An Act To Amend the Education Act."

Notice of Questions:

Notices of Questions on tomorrow given by Mr. Hollett.

ORDERS OF THE DAY:

WAYS AND MEANS:

BUDGET DEBATE:

Motion is that the house now go into Committee of Ways and Means.

DEBATE ON THE BUDGET

Hon. M. M. Hollett (Leader of the Opposition): Mr. Speaker, in rising to say a few words relative to the budget speech, which was very ably given, I thought, by the hon. minister of Finance a few days ago, I want to pay him a compliment for giving the speech in a very clear and concise manner which was quite understandable to everybody in this house and I hope it was understandable to the people outside. I have to say, of course, that it is the sort of a speech that one does not expect for the budget speech. I thought it was a sort of innovation, a new form of approach. I may be wrong on that Mr. Speaker, but I have a feeling, which I think is shared by a good many people not

only here in this house but I think all over Newfoundland — I would call it a sort of camouflage speech — you know like when one threw up a smoke screen in the days of the war — this smoke screen was for a purpose and the purpose, of course, could have been for any one of a dozen things. Now the reason I think this might be called a camouflage budget is because of the fact that this speech, Sir, which contains some 32 or 33 pages, devoted some 18 pages to shouting, singing, shall I say, as a better word, the praises of the present administration during the first 10 years of Confederation.

Now, Sir, we have heard that song so often in recent years, to the same tune, that to me at any rate it did not sound very convincing. In the first place, I did not think that it was necessary, that it was essential that our people should be told yet once again of all the blessings of Confederation conveyed upon this Northern Isle through our union with Canada. We all know about them. We have had them pouring upon us for 10 years, the blessings from the Ottawa Treasury and dispersed and dispensed, shall I say, by the hon. minister of Finance.

The hon. minister stated that it was a proud moment to realize at this particular period, 10 years later, that it was given him by the Almighty, I take it, to stand up in this house and deliver the 10th. budget speech, particularly in view of the fact that he had thrown his weight, his great weight, behind the effort to win our people over to Confederation 10 or 11 years ago. Well, I suspect I would have felt sort of proud too if I had taken part in the Confederation fight on his side and had been given the privilege accorded him to deliver this budget speech. According to him it was a good budget. It was a good budget speech, there is no doubt about it; very well done, very well made up — and I shall have a few words to say about it. One of the things that struck me was that after the hon. minister had said how proud he was and how very happy and how successful the union was between the Dominion of Newfoundland and the Dominion of Canada, he goes on to say that the union may not be a perfect one. The hon. minister does not even suggest that the union has been a perfect one, for no human union, he says, is perfect. I would like to disagree with that because I do think there are human unions which are the essence of perfection.

I think the hon. minister must have erred somewhat there.

Premier Smallwood: Give us an example.

Mr. Hollett: Well I could possibly tell the hon. the Premier at a private session.

Premier Smallwood: It won't bear the light of day?

Mr. Hollett: The hon. minister should not agree. I should endeavour to discount to a great extent the statement he made about this perfect union. At any rate that is the statement which he made. We have to remember, Mr. Speaker, it may not be a perfect union but is it not a fact, Sir, that by the end of the present fiscal year the Provincial Government, the ministers on the opposite side of this house will have received from the Federal Government during the past 10 years the huge sum of \$231 million by way of unconditional grants and something over \$70 million in conditional grants having to do with such items, as agriculture, health, hospital, welfare. Welfare itself is \$30 million, and then Highways, Vocational Training, Resources Development, Civil Defence and other items, university grants over \$3 million, and on account of old age security the money coming into Newfoundland and on account of Family Allowances some \$35 million, Unemployment Insurance \$72 million and a total, Sir, which we the people of Newfoundland will have received by the end of the present fiscal year of some \$583 million. A lot of that money comes through the channels of the provincial government and a large amount of it is going direct to our people. When we come to think of this colossal sum in the past 10 years and when we add to that, Mr. Speaker, shall I make a rough guess, say some perhaps \$400 million, would it be, which came direct from the Newfoundland people to the provincial government itself and was distributed by the provincial government, would I be correct in saying that during the past 10 years probably a billion dollars has been distributed through the two agencies, the federal government and the provincial government?

That being so, Sir, one would have thought that the hon. minister would not have put any damper on the statement which he

made when he was so happy. I am surprised he said that he would not even suggest it was a perfect union, because a lot of our people think it is a perfect union. But I do say, Sir, there are a lot of our people who will agree with the hon. minister if they took it as he suggested. I had a man in my office today who is fifty-two years of age, and has not worked for a year and a half except for a period of three weeks. When asked if he received relief he said "No! I am not going to take any relief. I am going to starve first." I told him not to be silly; if you want to, go get relief. It belongs to you. Another fellow only had a month and a-half work in a year and a-half. It is not perfect. It is not perfect for the 43,000 people who were on relief all last winter. It is not perfect for a lot of people who are unable to gain employment. So that I think probably these were the thoughts which went through the hon. minister's mind when these words were written down.

I mentioned the amount a moment ago, that came into the treasury of the provincial government, and I figured that in the 10 years it might be \$3 or \$4 million we take from the people direct in social security assessment taxes and alcoholic liquor taxes and the gasoline taxes, (seventeen cents a gallon for every gallon we put into our boats or into our motor cars or trucks or what not, seventeen cents came into this government). Then, Sir, there are other taxes as well. Generally speaking, there is no reason why it should not be a happy union. As a matter of fact I gathered the impression, during the last eight years at any rate, that it was a most happy union, tremendously happy. I don't think anybody on the opposite side would have dared to get up, two or three years ago, and say that it was not a happy union.

Premier Smallwood: Don't confuse the words happy and perfect.

Mr. Hollett: "Perfect" is what I believe everybody on the opposite side would have said three or four years ago. It was a perfect union. I see no reason why it is suggested at the present time, without saying it under cover I want to say during the last two or three years — and I wish the hon. minister had dwelt on these two or three years as well as the past 10 years — because it is a fact, Sir,

that during the last four years, at any rate, the provincial government has received by way of conditional grants and unconditional grants, by way of payment for the benefits of provincial constituents, the university grants, old age security, family allowances and unemployment insurance and all the rest of it; we, the people of Newfoundland have received more than we did in all the other six years before. So, Sir, it is getting better all the time, when we speak of the amount of money which has been received.

The minister also speaks of the pressure of population. Well we have to accept that. The minister admitted that. Then he goes into this 18 page eulogy of the accomplishments during the past 10 years. I would have thought, Sir, that all these 18 pages would have been spent in explaining to the people of this country what has happened in the past fiscal year and what has been planned for the present fiscal year. It was always my idea that a budget speech would confine itself to the financial policy of the government during these two years. But no, Sir, the minister desires to take us back over a period of 10 years. Although the camouflage is there, I hesitate to say just what the idea of this camouflage is. Why spend half the time of the budget speech, of the 33 pages, telling about all these things which have happened during the past ten years? The budget speech too, Sir, states that there has been more progress during the past 10 years than in all our previous history. Now I don't just exactly know how the minister would define the word "progress". As a matter of fact, I do not exactly know how it would have been possible in 10 years to make the progress which was made previous to that. Has the Finance minister forgotten that in the old days, the old days when a dollar was a dollar, that our people, with half the population of the present day, built a railway. This present government, during the past 10 years, have been trying to build a Trans-Canada Highway and haven't gotten scarcely anything done. Well, they have some done. The Premier went over it in a jeep last year and very nearly lost it. But the people of the olden days — and I say in those days a dollar was a dollar — built a railway 500 miles long and operated it for years and years.

Does the minister forget the operation on Bell Island and what that meant to the economy of Newfoundland? Did not that take place long before Confederation was even heard about, long before it was a fact? Has he forgotten, and I am sure he has not, the paper mills at Grand Falls and Corner Brook? Does he forget that some 40,000 fishermen, prior to 10 years ago, earned their living at the fisheries, and earned a decent, respectable living, although they did not have motor cars and did not have oranges for breakfast and did not have a lot of things. But, Sir, they were independent. How many fishermen have we got today? Certainly not 40,000 fishermen. In those days, Sir, we supplied the markets of the world with all the fish necessary, partially alone, with one or two other countries. Does the minister forget the mines at Buchans? Were they not there before Confederation? Does the Minister forget the copper mines at Tilt Cove operated long before? The roads: Speaking of roads with a small population like Newfoundland, we built, I believe some 1200 or 1500 miles of road and paved practically all that have been paved to date; all before Confederation.

Then the minister gives a lot of space to the schools. We will admit there are more schools today, decidedly more schools. But we will admit also, and will have to admit that we have doubled our population and consequently it was essential to build more schools. We admit that there are more pupils, sure, but do we admit that we have today such a tremendously better system of education than we had 20, 30, 40, 50 years ago?

Hon. E.S. Spencer (Minister of Finance): I don't suppose anybody even doubts that.

Mr. Hollett: Ha! The hon. minister has spoken for the first time. I would like to point out to the hon. minister that, whilst education in the old days may not have been so widely distributed (I mean the system as it is today) and with a good many of our people living in areas which were remote from the principal towns, their education was not so good in those days and it was difficult to get teachers. But I do say that the teachers who went to these out of the way places were consecrated, dedicated to their work, and I think they devoted as much or more of their

time and their living to helping educate the children of Newfoundland, just as much if not more than is being done today. I am afraid the minister, in talking of education, has just got his eye on that almighty dollar. Look what we have done in education — \$86 million since Confederation. I thank you: \$83 million spent since Confederation on education. And he said \$26 million only was spent on education previous to Confederation. Now I am sure he realizes that \$26 million then, before Confederation —

Premier Smallwood: It was not \$26 million spent in the 10 years before Confederation, not all in that time.

Mr. Hollett: I am sure he realizes that \$26 million even 15 years ago would be equivalent to almost double \$26 million today.

Premier Smallwood: Not at all.

Mr. Hollett: The value of the dollar has gone up beyond compare as have the prices.

Premier Smallwood: Well, compare them.

Mr. Hollett: A very few years back your dollar was at least worth double what it is today, and I would say that, 25 years ago \$26 million would be equivalent to about \$50 millions today. Of the \$83 millions, we must not forget, some \$10 millions of that came direct from Ottawa by way of grants.

Premier Smallwood: None of it came — this does not include the university grants. They came direct to the university.

Mr. Hollett: But it is spent on education. That is not included? I am glad to hear that. Then the minister goes on to Health: I want to touch on the various items because if the minister took time out to talk about the 10 years that have gone, I take it I have the right to comment on these statements which were made. During that period of 10 years, with regard to health, public health, \$86 million was spent on health since Confederation and only \$48 millions, before Confederation. I take it that \$48 million was the total of all the years before Confederation. I may be wrong. If I am wrong somebody will correct me. So \$86 million has been spent on public health by us whereas only \$48

million was spent prior to Confederation by the government here. But \$17 millions came from Ottawa out of that \$86 millions. I suppose it is a little early to say anything about the health scheme. We shall hear more about that later. I will agree with the hon. minister regarding health and welfare. The union was happy even in relation to these two items. I do think we would have found it very difficult to do the things that are being done by the health authorities and by the welfare authorities, (and even though today we have considerable poverty, poverty yes, there is no question about it, in Newfoundland) I think it would have been very, very much worse if we did not get these various grants from Ottawa. For instance, as I pointed out, we will have received \$11.5 million from Ottawa on hospital insurance and \$6 million on welfare — when I say it comes from Ottawa, don't let us forget, Mr. Speaker, it comes from Ottawa but it comes from us, it comes from the people — don't let us think that simply because we get a cheque from Ottawa for \$1,200,000 that it is a handout from Ottawa; it is a handout from the people themselves. When I speak of a billion dollars having been spent by this government and the federal government, all that money, Mr. Speaker, came from the earnings of our people. It came from them by way of taxes, contributions in one way and another.

I was speaking to a gentleman today who comes from the district of St. Barbe. And, Sir, I am reminded of a petition which was presented here by the hon. minister of Public Works (Mr. Chalker) from the people down there, who were trying to get a hospital. I am very happy to support that petition now if I did not do so at that time, and if I did not I should have. But I do think it is a very appropriate time to speak of it, as we are on health, because I learned something about that part of the country today I did not know before. I did learn, too, that the educational authorities will have to get busy in that area. It is very difficult, of course, very difficult to get teachers to stay in that particular area. But, Sir, with regard to this petition, which was presented by the hon. minister of Public Works, concerning the request of the people for hospital facilities in that area of St. Barbe: I am very happy, and I am sure all of us on this side of the house are happy to support that petition

which was read here some few days ago by the hon. minister. I think we have often talked about the Northeast coast being the neediest coast and there is no doubt about it was. But, Sir, I think the district of St. Barbe has been neglected more than any other part of the Island, any part of the province, including Labrador. I think the district of St. Barbe has been most neglected. Of course there are reasons. It is a rugged coast with huge seas running along that coast at all times during the year, and with no roads.

Premier Smallwood: We have already spent between \$2 and \$3 million to build a road right down through that coast, and we are still building it and still spending it.

Mr. Hollett: I am coming to that Mr. Speaker. I am talking about the 10 years before Confederation when there was nothing but a rugged coastline, angry seas and fierce tides, no roads, and everything down there was isolated.

Premier Smallwood: In fact it was that coast that Canon Richards, the late Canon Richards, described as the "forgotten coast." That was the forgotten coast.

Mr. Hollett: There is no question about that. I hope it won't be forgotten today. I am glad to see the government spent \$2 or \$3 million building that road. I asked a gentleman coming from there today, actually a schoolteacher, about the roads and he told me that within a very short time it will reach the place where he is living. Shortly the road will go along the whole of that coast, and then there will not be so much isolation.

Hon. J.R. Chalker (Minister of Public Works): I think that same gentleman has already driven from that place, the first one to do so by car.

Mr. Hollett: I do hope the government takes notice of that petition. Petitions come in every day, Sir, while the house is open. But, Sir, of all the petitions that came in here, that is one which I think ought to be given every consideration by the government, with regard to increasing the hospital facilities for that area. I know the people are isolated and stretched along a huge coastline, and until the road is built and proper

facilities are there the people are going to suffer. I do hope the government will do the best they can with regard to that petition. The minister of Finance had a lot to say about the miles of road which had been built since Confederation. I think I have already referred to that. He said that some \$94 million was spent on roads since Confederation and only \$19 million before Confederation. I am wondering if the \$19 millions before Confederation on roads, just look at what that \$19 million did compared with what the \$94 million did since Confederation. What is the trouble? Where is that money going?

Premier Smallwood: The \$19 million was in the 10 years before Confederation; and all the time before Confederation, from the beginning of our history it was \$36 million, of which \$19 million was spent in the 10 years before Confederation.

Mr. Hollett: I wonder where they got all the money in those days. They certainly did a lot of work, and more of the money spent in those days went into the pockets of the people.

Premier Smallwood: And more on the Avalon Peninsula than in all the rest of Newfoundland.

Mr. Hollett: That was because most of the people —

Premier Smallwood: Still live here.

Mr. Hollett: And more living here today.

Premier Smallwood: Yes, 46% of the people, I believe, live on the Avalon Peninsula. But, Sir, the other 54% deserved a mile or two of road, did they not?

Mr. Hollett: Well we have naturally to link roads with economics. There is no point in building a road from St. John's to Cape Norman if there are no people or only a few families living in Cape Norman; there is no point unless there are a lot of people living along the route. But our people are so scattered, Sir, that it was not economic to build roads in the past, and I for one cannot find it in my heart to blame our administration, if you like, for not building more roads in

their day. I think they did marvelous work. I think they did much better than this government has done with all the machinery which they have. We must remember too, Sir, that all the money being spent today, and which had to be spent today is going into the pockets of the contractors, machine owners, and not into the pockets of the ordinary individual who formerly, in the old days, went to work — I admit it was for a miserly stipend, 15 and 20 cents an hour — but they had that, at any rate. Today they get nothing. They watch the huge machines going along. And so, Sir, very little of that money goes into the hands of the ordinary citizens. That is one reason, Sir, why we have 40,000 people on relief.

Hon. F.W. Rowe (Minister of Highways): You would not go back to the pick and shovel, would you?

Mr. Hollett: It might be better for some of us if we did go back to the pick and shovel.

Premier Smallwood: I have a lot of sympathy with that. I said the first year I was in office we were quite seriously considering giving up the heavy machinery and doing it by hand. We had a lot of employment then, and since. But we are getting a lot of unemployment again, and it is a little sickening to see a lot of the money go to big factories in the United States where they make the machines. That is where it goes when we spend it, or to the contractors. The bulk of the money goes to pay for the machinery, and that employs men who are not in Newfoundland.

Mr. Hollett: It raises the whole problem of living in the world. Almost everyone in the house almost every day of his life has some people, few or many, coming every day looking for work, mostly labour, with the odd one looking for a job as a carpenter. They ask: "What are they doing on that thing over there in the harbour? There are very few men over there. What is going on in this university building? When is it going to get started, and the work on the Confederation building? Do you think there is a chance of a job?" And, Sir, I have to tell them "No". Nine times out of 10 I have to tell them that. The reason for that too, Sir, is that most of the work being done on these

buildings today is being done by machinery rather than by ordinary labour.

Hon. F.W. Rowe (Minister of Highways): And skilled labour too.

Mr. Hollett: Skilled labour! I don't call it much labour when a man sits back in a comfortable chair and moves a wheel. There is no labour to that.

Hon. E.S. Spencer (Minister of Finance): If you want to get the roads it has to be done. There is no doubt about that.

Mr. Hollett: We want the roads but would like to see a greater spread of money amongst our people.

Mr. Spencer: That would be pleasant.

Mr. Hollett: One of these days you are going to have to find a way to do it. We cannot have thousands walking around our streets and lanes and so on, looking for jobs and seeing these huge machines doing the work our forefathers did before.

Premier Smallwood: You see, within the boundaries of one complete economy the very monies that go to buy a great machine, goes to the factory in that same economy and that factory pays to each mine or steel mill in that same economy the money. It is not lost. It is only lost when it goes from one economy to another. If it leaves our Newfoundland economy and goes to another economy altogether, that is when we lose out.

Mr. Hollett: Yes, if we could manufacture these machines — If that blinking machines plant the government built had turned out machines...

Premier Smallwood: Yes, and keep the money here.

Mr. Hollett: If Mr. C.D. Howe lived up to his word we might have had the machines, these trucks and tractors and goodness knows what — and then, as the Premier says, the money would have gone back to work, working on the manufacture of these machines.

Premier Smallwood: Don't forget, a lot of the roads in the old days were built on straight relief.

Mr. Hollett: That was only during the depression days.

Premier Smallwood: And when was there not depression?

Mr. Hollett: There was a great depression in the thirties, in Canada, in this great nation of ours, and in the United States, all across the Western World, from which we suffered worse, I think, than any one else.

Premier Smallwood: What about the medium one?

Mr. Hollett: There are people today in Toronto who cannot get work. I call that a depression, when a man can't get work. When a huge number of them can't get work, then it is a big depression. We always will have people who can't find work. But, Sir, I wonder what we are going to do with our surplus population? Are we going ahead improving health and education, raising our young manhood, yet having nothing for them to do? Talk about our fisheries — I will come to that in a minute. By educating our young men away from the fisheries, we are not going to get them to prosecute the fishery, Sir. I have already mentioned that. Welfare; \$93 million. \$30 millions of that came, Sir, from the federal government. I don't think we ought to forget that. I don't think we ought to let our people forget it.

There is a possibility our people in Newfoundland may wake up to what this Confederation has done, what we are getting out of it. I am one of those, Mr. Speaker, who fought tooth and nail against the methods of bringing about Confederation. I did so because I saw something which has already happened, and that is that, while there was quite a bit of prosperity and quite a bit of poverty, we have a government practically bankrupt. That is what we have today. Not bankrupt, no, because our government can still go and borrow money. I am wondering if we don't have to get after the bank one of these days, the Bank of Montreal and say "Look here, are you going to let the government of Newfoundland

borrow and borrow and borrow all they want? Are you not going to put any restraint on them?" We remember last year when there were certain monies which were supposed to come from the Mainland and did not arrive in time as a matter of fact I understand they have not arrived here yet. But, Sir, all that the minister of Finance had to do was to go to the Bank of Montreal and say that the money had not come yet and we have none; what about it? Sure, sure, sure, the Bank of Montreal gives the hon. minister all he wants. I do not know that they ever said no. Well, of course, in that case the banks will be the rulers of this country, the Comptroller of the Treasury, and I am not so sure the Bank of Montreal today is not the Comptroller of the Newfoundland treasury.

Premier Smallwood: The hon. gentleman should not say these things even in jest. These things can be quoted, and how would the hon. gentleman like to see his own words printed in Montreal or Toronto — in the Toronto Star?

Mr. Hollett: I would say that not only applies to Newfoundland but to all the provinces and to the federal government.

Premier Smallwood: Alright, in that board sense.

Mr. Hollett: I am not speaking to any other province nor the federal government but to the people here. I will broaden it out and say: Is there not a danger that the banks will become the dictatorial power in this western world?

Hon. E.S. Spencer (Minister of Finance): A lot of the danger would be eliminated if the federal government maintained their obligations to us.

Mr. Hollett: The danger would be eliminated if the minister and the ministers of every province and the federal finance minister would cut the garment according to the cloth and would not go off half-cocked, so to speak, making contracts and spending money they have not got. There is the only solution. If the hon. minister of Finance would put his foot down and say — "No, we cannot do that. We have not the

money." There are a lot of tears shed in this budget speech about how the Cabinet had to cut the requests of the ministers. I am going to ask the minister to tell us what was cut off? What did the Treasury cut off \$6 million from? We are going to be asked to pass estimates which are even more than the estimates we passed last year — and the minister tells us in that statement he made that the other ministers requested an extra \$6 million on current account. That is what he said there — Does he mean it?

Mr. Spencer: Yes, there is no question about it.

Mr. Hollett: Will the minister, Mr. Speaker, tell this house just what was asked for and he had to cut out?

Premier Smallwood: Of course not.

Mr. Hollett: On current account?

Premier Smallwood: He would not dare to.

Mr. Hollett: Because it cannot be done.

Premier Smallwood: Cabinet secret —

Mr. Speaker: I don't think the Leader of the Opposition expects the minister to answer that question.

Mr. Hollett: I would say, Sir, I would need a cup of tea if it is ready.

On motion of the hon. Leader of the Opposition, the house recessed for 10 minutes, after which Mr. Speaker resumed the Chair.

Mr. Hollett: Mr. Speaker, I have so many notes here I think perhaps I ought to leave some of them for next year, and comment on just a few. I was thinking, Sir, while we were out: When we think of this huge amount of \$580 million paid to our government from Ottawa during the past 10 years, it amazes one to think how our previous governments, prior to 1949, managed to do all they did on account of roads and bridges and schools, hospitals, customs, post offices, a railway and a dozen and one other different things.

Premier Smallwood: And lighthouses and airports.

Mr. Hollett: Tugboats and all sorts of things — and, Sir, for 100 they only built up a public debt of about \$100 million. Oh, it is true, life was not the same as it is, not so fast and furious, but I think people were just as happy if not happier than a good many of our people today. Yet, Sir, the present Government, in 10 years, with all of that money from Ottawa, \$580 odd million, with all the taxes from me, you and everybody else in this country, have managed (in 10 years) to build up a debt almost equivalent to that which the previous responsible governments had built up in 100 years. I am thinking of the funded debt and the guaranteed loans and so on. Of course you must remember that they did not pay so much for a school teacher in those days. I taught school when I was a young fellow, long before I was 19, and I think before I was 18. I then had my Associate and I was a first class teacher in those days, and according to the standard I received \$280 dollars a year. That was my salary plus the augmentation, as they called it.

Premier Smallwood: With an "A" Degree?

Mr. Hollett: I don't know what degree you call it. It was just Associate Grade.

Premier Smallwood: Not "A.A."

Mr. Hollett: You are talking about Alcoholic Anonymous now. My wife tells a story — She taught school too for several years — The first year she went teaching her board was \$17 a month. That is all she had to pay for board, \$17 a month. It is unbelievable when you come to think of it. So don't ever again in finance bring comparisons in here and base them on dollars, because the people who boarded that woman for \$17 had to find the necessary things of life.

Mr. Spencer: I would like to remind the hon. Leader of the Opposition I am not worried so much about dollars as about advances in opportunity. The time of which you speak when as a Rhode Scholar there were only five of you in the country.

Mr. Hollett: Once a year now as there was then. There is no difference.

Mr. Spencer: How much difference is there in the opportunity for education? I think the hon. Leader of the Opposition must admit that.

Mr. Hollett: The opportunities of education — Yes, of course! I would be silly if I did not say there were more. But, Sir, I sometimes wonder what we are doing in our educational policy. I sometimes do wonder if we are doing the right thing. It is no use educating all the young men and young women to be school teachers, bank clerks and this that and the other thing. Or are we going to do everything by machinery in the days to come, with nobody to do a days work or labour? We had a bit of education, yes, but we always had to work. And my hon. friend, the minister of Finance has worked and worked hard. But, Sir, he obtained his education and did not have to have it rammed down his throat. He obtained his education like most of us between whites, when out from work. We received an education which, at that time, was appropriate to the period, but I am wondering if we are properly educating our children today along the lines appropriate to the manner in which they have to live in the next few years. However, that is a matter much too philanthropic for me at the present time.

The minister referred to the fisheries, and went at length into the number of loans which were made, 310 loans made to aid fishermen. I have a note here which says "see page 12." We must see what page 12 has to say about it. I am surprised to learn all the things that even this Government could build with \$1,100,000. Just listen: 45 new long liners; 20 new draggers; 24 new combined draggers — long liners; 54 other fishing boats. And these loans also resulted in supplying 159 new marine engines for fishermen and the construction of five small-sized fish plants. Just imagine \$1,100,000 for 55, 75, 79 —

Premier Smallwood: It is 315 loans.

Mr. Hollett: Yes, I know! But I am talking about the number of boats, small and big. There must be nearly 100 fishing boats or more than 100 fishing boats.

Premier Smallwood: Does not my hon.

friend realize that in a good many cases the amount of the loan from the Provincial Board was only approximately one-third or even less than one-third of the total involved?

Mr. Hollett: That is not said here.

Premier Smallwood: The government of Canada also lent, and the borrowers also spent some of their own money. This is just the provincial Loan Board.

Mr. Hollett: Why in the name of goodness was not the federal government given a little credit here? They are a fairy godfather in this union. I hope they stay there. All these boats are built by a loan of \$1,100,000, apparently. He then goes on to speak of 29 different firms who received \$12.75 millions. That of course was for fish plants and cold storage. And he makes reference to the Newfoundland Fishery Authority. I have several notes on that. I am not quite sure I am going to have time to go into that this afternoon.

Here is one point I have brought up several times already, in connection with salmon caught by the people, I think, down in White Bay at the same time as the lobsters were taken, the same time all the other fishery firms were driven out of the business by this government's operation in connection with the O'Brien Fisheries — I am rather surprised, Mr. Speaker, to think this \$5000 or \$6000 has not yet been paid to these salmon fishermen. They were guaranteed, Mr. Speaker, along with the lobster fishermen, that their catch would be taken care of by this firm of O'Brien Fisheries. Apparently the lobsters died in the ponds and the lobster fishermen lost considerably — I think some \$40,000 odd. After considerable pressure from the fishermen themselves, and I may say, also from this house, the hon. minister of Fisheries and the hon. the Premier paid the lobster fishermen. They forgot for the moment that they had also guaranteed the same conditions for the salmon fishery.

Hon. J. T. Cheeseman (Minister of Fisheries): Who had guaranteed?

Mr. Hollett: Various members of the government. I have here telegrams and letters

from the hon. minister, if the hon. minister wants to be quoted from it here. In fact there is one from the minister of Fisheries himself and one from the new trade union leader — White Bay North. There is one there from the hon. the Premier too, and one from the then minister of Education. I have copies of all that correspondence, and if you read it all carefully you could only come to one conclusion: Today government cannot renege on the various promises made to these salmon fishermen. There is only \$5000 or \$6000 involved, Mr. Speaker, and I do ask the government to think it over. Last year I was promised from the other side of the house that the matter would be given another look. I believed the hon. the Premier and the hon. minister of Fisheries would have another look. I think they have been looking at it long enough and should do something for these fishermen, for the sake of their prestige as well as for the fishermen who after all should believe that what a government member says is correct, and not have them think that things are not what they seem. I make that point just once more, to bring it to the notice of the hon. minister of Fisheries and the cabinet for consideration. It is only a small account. I have the names of the men to whom this is owed and it all amounts only to \$5000.

Then he goes on to the new industries. I don't think I will go into that again. No, I don't think we need to hear any more about the industries. Let them lie for a moment. We are hoping that some of them will come to something worth while. I have been endeavouring to find out for the last number of years just how many employees there are in these great industries. The minister says that out of \$28 million invested in the new industries by the Government, some \$48 million has been distributed, in consequence, to our people. That is a pretty broad statement. How are we going to prove or disprove it? Have we to take the minister's word? It is true we loaned \$28 million to these new industries — and now we hear that, in consequence, the people benefited to the tune of \$48 million. Let us prove it. Tell us how many men and women are employed by these various industries, what the production is; how did they get this \$48 million? Why not tell us that? It is not enough to get up and say we gave out \$28

million and thereby, by the expenditure of this \$28 million by this government these various firms have been able to pay out some \$48 million to our people. If that is so, then I think the least these industries could do is pay the interest on the \$28 million. They have not paid five cents interest since they were given the loans; and if they have been so successful as that, so as to pay to our people \$48 million let them pay a little interest. The least I think these industries could do is pay the interest on the \$28 million. We see real, bona fide firms trying to live according to the system, and yet these firms get loans from the government and never have to pay any interest back.

Now then Sir, after all these 18 or 20 pages, the minister finally begins his budget speech, and devotes one and a half pages to tell us of the finances of the country during the past year. He tells us the current revenue last year was \$75.8 million and current expenditure \$63.8 million, which leaves a current account surplus of slightly over \$12 million. Incidentally, on that point I had better proceed a little cautiously. He further goes on to tell about the capital account and the revenue is \$6.7 million and the expenditure \$21.2 million, which leaves a deficit of \$14.5 million. Now, of course, most of us need an education to figure out just what that is. But, Sir, apparently some of the newsmen — and I think there are some newsmen in the house today, apparently some of the newsmen seem to be able to grasp figures like that and come out with a headline saying that as a result of last year's operation of the Government there was a \$12 million surplus — government surplus for the year (12. something) million. Now I submit, Sir, that is wrong. It is not good reporting. It is not telling the people the facts. It must be simply because they don't understand. I put it to any of these news media which made this mistake that they ought to take a course in mathematics, go to night school or something.

Premier Smallwood: That is a very poor way to influence people and make friends.

Mr. Hollett: Yes! But we are not worrying about that. I don't think the hon. the Premier worries too much about that either. Well, here you are: You bring in this report and you find out there is a deficit and yet the

news media comes out in headlines saying we have a surplus of \$12 million. I don't call that reporting and if anybody here in this house or in this country thinks I have no right to criticize it, I say to heck with it, I am going to criticize it anyway — I don't think it is good reporting, and I think things like that should be stopped.

At any rate, even if we apply the current account surplus to the deficit on capital account we still have a deficit of \$2.5 million, made up by way of borrowing \$4 million, which would leave a million and a half over. What was done with that million and a half I am not sure. I think the minister said that, owing to the fact that certain monies had not been received from Ottawa, he was unable to close the books and finalize the statement. Surely the minister could have stated the exact thing in March when the budget speech should have been brought in. Why was it not brought in at that time and the same statement made?

Hon. E. S. Spencer (Minister of Finance): We thought our friends in Ottawa needed a little more time and gave them all that time.

Mr. Hollett: Surely the hon. minister knew he was going to get \$13.6 million. First and foremost, the Bank of Montreal loaned that and secondly there was that statement made in Ottawa.

Hon. L. R. Curtis (Attorney General): But the third point is — when?

Mr. Hollett: Yes — when? But we know we will get it. The bank has given the credit. When it comes, it goes back into the bank anyway, and we will never see it. I am just commenting on the fact that they have not closed out last year's books. This is the first of July, almost, and they were supposed to be closed out around the end of March.

Mr. Spencer: They are never closed at the end of March — at least one month's grace always.

Mr. Hollett: Alright! Give it one month but don't give it six. I doubt they will be closed this time next year if we don't do something about it.

Premier Smallwood: If Ottawa does not do something.

Mr. J. D. Higgins (St. John's East): Hear! Hear!

Mr. Hollett: I know who will have a fit — the Bank of Montreal. Anyway the minister spent one page on last year. Mr. Speaker, I want to point out that, in my opinion, that was a terrible way to bring in a budget. One and a half pages on last year's finances cannot tell the whole story. And look at that and at the estimates. There is nothing in the estimates to help very much either, and if we compare this year with last year, all we find is that last year's estimates and this year's are almost exactly the same. There does not seem to be any difference in the estimates and for the year before —

Premier Smallwood: Has the hon. member read the budget speech delivered in Ottawa a few weeks ago?

Mr. Hollett: I have not seen it.

Premier Smallwood: It is hard to argue with the hon. gentleman who has not read the federal budget. He will find the federal budget devoted to straight statistical information, about the same as in this one.

Mr. Hollett: I still don't argue with it. I still don't agree with the idea.

Premier Smallwood: The idea is a very sound one.

Mr. Hollett: Yes — don't have to say anything, don't have to tell anything.

Premier Smallwood: That is not the reason.

Mr. Hollett: They did not tell about the millions of dollars pouring in from Ottawa. I heard the hon. the Premier's announcement, prior to Confederation. He said a lot of things then.

Premier Smallwood: And most of it true, and most of it accurate.

Mr. Hollett: Now we turn to another year, and it looks as though we are in for another deficit because the minister is going to ask us for a \$10 million loan. I won't say anything about that now. Let it stand. I believe he said something about Term 29. I think

there are about six pages on Term 29, some six to seven pages. I prefer to say nothing about Term 29 at the moment.

Premier Smallwood: The less said the sooner mended.

Mr. Hollett: With regard to the Newfoundland Fisheries Development Authority I want to say here, in the presence of the hon. minister of Fisheries who is here, I see: Last year we asked a question and in reply we were given the Annual Report, also the Auditor General's Report on the activities of that highly paid body. This year we asked exactly the same question, and we got their report but did not get the Auditor General's Report. I take it there is some reason for that. I was wondering if I might, at this time, ask the hon. minister of Fisheries if he might procure that for us. It was good to see in their annual report that the Fortune Plant is beginning to operate. I say \$50,000 was not much to pay for a fish plant, and a dragger, but it was a case of bankruptcy and the government, as usual, was the loser. Now that it is in operation again, the people will be the gainers. And, Sir, I congratulate the minister and the government on getting that functioning. Fortune is a place where we have some splendid people, all around that peninsula in fact. I ought to know because I come from there. They are wonderful people up there, good fishermen. My hon. friend over there is from Burin — he knows what they are like, and he is not a native, they are fishermen. I was glad to hear the other day that the average income of most of the people in Burin at any rate, was \$2,700. That is not bad for an average income. They mostly have to do with the fishery of course. And, Sir, I am glad to see that Burin is in such a position today where there is room for her to forge ahead. There is a town council operating there, doing a good job, insofar, of course, as their finances will allow them. Recently, I believe a petition came in for a little road expansion up there. I do hope the government will take note of that too. I know that area very well and I know how difficult it is to get up over that hill. But, Sir, I will not go into local stuff just now. LaScie, Seldom and Merasheen; I am not quite sure what is going on there. The government have been spending a lot of money there. At any rate, I

won't bother about it at the moment, but will do that when we come to the estimates. I see in their report too that in Rose Blanche and Harbour Breton there are to be erected a couple of fish plants, I take it mostly for salt fish, and driers. One, I believe, has a fresh fish filleting plant. That is going to cost \$700,000 and Marystown \$150,000 allocated in connection with building schooners, etc. St. Lawrence, Oderin, and Lamaline are mentioned relative to community stages. But, Sir, I did not find anything in the estimates to offset that — it may be there.

One thing I have been wondering about, Mr. Speaker, and I think I ought to mention it! I have been looking at the analysis of the salt report, and I am wondering just how far that is connected with the quality of the fish. I understand that the less moisture there is in the salt, the better the quality turned out as a result. I may be wrong. Perhaps the minister of Fisheries could put me right on that at some other time. But, Sir, I do think we ought to be very careful about salt and get the right analysis for our fish, because it is very difficult for salt fish fishermen to make their fish these days when women no longer assist them in doing it.

Another matter I want to mention here; I asked a question of the minister of Mines and Resources relative to travelling in his department, and I got the most startling reply to that question. It seems that 199 men of this department of Mines and Resources spent on travelling last year \$120,000 and 86 of these men were paid for mileage on their own cars, at least mileage driving their own cars, to the total value of \$35,000, and board and lodging for these same members of the department cost \$40,000. Then, travelling expenses in the department of Mines and Resources, other than for personally owned cars, cost \$28,000, and gas and oil and other miscellaneous items cost nearly \$16,000.

Premier Smallwood: Would not the hon. gentleman agree, if the people of Newfoundland are to be served by that department, the department must not sit and wait for the people to come but must get out around? That is the answer.

Mr. Hollett: I don't know what they go out for. When I see all these people travelling in

their own cars, costing the people that much money, I would like to know what it is all about.

Premier Smallwood: The hon. gentleman will have that when the estimates for the department are under debate, to the last detail.

Mr. Hollett: That is a lot of men in one department, travelling in their own cars.

Premier Smallwood: That is cheaper than the government buying cars. It is better to pay mileage than buy all these cars and give them to them.

Mr. Hollett: However did they do it before Confederation?

Premier Smallwood: The service was not given to the people before Confederation.

Mr. Hollett: What services?

Premier Smallwood: The services these men give.

Mr. Hollett: I wonder if that is a wide expenditure. I am not criticizing the department too much but I am wondering if some of that could not be cut out.

Premier Smallwood: If that were cut out, you would hear the uproar from the public generally. The same applies to all these departments. Stop our personnel from going all over the island serving the people; let it stop suddenly and see what an uproar there will be from the public. It is alright for these living in St. John's who can pop into any government office, but when they live in Quirpon or Ramea they cannot afford to go in and out of government offices every day. So, the government sends men out to them.

Mr. Hollett: In cars? — it was 492,000 miles by one department, travelling?

Premier Smallwood: Newfoundland is a big island.

Mr. Hollett: And no roads to travel on.

Premier Smallwood: We are building roads in hundreds of miles.

Mr. Hollett: Anyway, I bring that to the notice of the house. The department of Mines and Resources can afford to send 199 men around the country.

Premier Smallwood: Would the hon. gentleman favour us by breaking down the 190 odd men into the different divisions. What divisions are they in?

Mr. Hollett: I have it here, if I can only find it, Mr. Speaker, we have all summer so I might as well take my time. Yes, here we are!

Premier Smallwood: I would like the hon. gentleman, if he does not mind: What are the divisions of the department, the type of activity these men travel under?

Mr. Hollett: Forestry, agriculture, crown lands, miscellaneous services. I don't know what that was.

Premier Smallwood: I don't either.

Mr. Hollett: No doubt somebody knows — wildlife, mines and inspection of mines.

Premier Smallwood: Why does the Government of Newfoundland have forestry men?

Mr. Hollett: I don't know what they have them for. I have some pine trees in here in my garden, and can't find out from any one in the department in Newfoundland or Canada how to get at a bug or something attacking them.

Premier Smallwood: Therefore let us have no more forestry men.

Mr. Hollett: I did not say that. Men were paid as high as \$1600 and \$1700 and \$22,113.

Premier Smallwood: How many miles travelled?

Mr. Hollett: I suppose it is twelve cents a mile.

Hon W. J. Keough (Minister of Mines and Resources): Ten or eleven cents.

Premier Smallwood: I suppose some of these men travelled 16,000 and 18,000 miles a year.

Mr. Hollett: Yes, I must say it is the finest answer I have received from any question I asked.

Premier Smallwood: And the hon. gentleman is making fine use of the answer.

Mr. Hollett: Not yet. Wait until we are on the estimates. I have just mentioned it. Then of course, there was board and lodging — they had to live. Then there are a lot of other charges made for transportation. I suppose that was by railway. Anyway, Sir, I would say that is the nicest answer I have had from any department to which I addressed a question. I was startled that the department of Mines and Resources have all these men they can afford to send out all over the country. Well, no wonder we are spending a lot of money.

Premier Smallwood: Does the hon. gentleman ever wonder what it costs to keep 80 or 90 welfare officers continually travelling in Newfoundland?

Mr. Hollett: That has nothing to do in my opinion, with Mines and Resources. They are performing very worthwhile and good service.

Premier Smallwood: I admit that.

Mr. Hollett: But in my opinion that travelling could be cut down by half at least.

Premier Smallwood: I am inclined myself to feel it could be cut down. I would not say by half —

Mr. Hollett: I would make a suggestion to the minister here — he does not mind me making a suggestion?

Mr. Speaker: Order! I don't believe anyone has addressed the Speaker in a long time. It is just a private conversation. I do think hon. members should address the Chair.

Mr. Hollett: I was going to comment some more on highroads, but I think I will leave it for the moment because the estimates will come up. There was \$40,000 cut out last year for development of fur farms. I have yet to find out what this development consists of. And there was \$100,000 cut out for

boglands. At the rate we are going, Sir, with people leaving the land, we won't want boglands because there will be enough vacant land in Newfoundland to grow all the vegetables we in this country can eat. Our people have not only left the sea but have left their farms and their gardens, and don't grow anything. And I am wondering if, in a little province, we can afford to spend \$100,000 a year on development of boglands.

Premier Smallwood: The Canadian government, I think, is paying half of it. We have succeeded, I believe, in getting the government of Canada to match our expenditure. So that, Sir, about half of that is repaid to us by Ottawa, and it is being regarded as the greatest effort of its kind in all Canada. So the Canadian government are deeply interested in it and are now paying half the cost of it. Right now it is going ahead up in my hon. friend's native district of Burin — Sorry you mentioned it?

Mr. Hollett: I can only say they raised more cattle on the Burin Peninsula -

Premier Smallwood: That is what this is for, not vegetables.

Mr. Hollett: They raised more cattle 35 years ago than today.

Premier Smallwood: Don't you think something should be done to bring it back?

Mr. Hollett: It was not lack of fodder but lack of interest that destroyed it. Again, Sir, I am saying right here now, I am afraid if we are going to live in this country our educational estimate has to be modified or changed somewhat in some way or another. We are not educating our people along the line which would make it possible for them to remain here in Newfoundland. Yes, a few government servants, a few fishermen, a few directors at \$18,000 and \$20,000 a year. I don't mean that sort of thing, but the ordinary young men and women — I am afraid we are not educating them to the point where they are going to stay in this country and raise cattle and catch fish and do this, that and the other thing.

With these few remarks, Sir, and I have not been long, I think I will cut short this

speech. I have a lot more notes here. I am critical of the budget. It tells us very little. I suppose that is the way with all budgets. The hon. the Premier told me the same thing applies in Ottawa. I don't think it is right. I don't think it is fair to the house or to the people. Then we had the surprise of the radio coming out and the press amplifying the errors and calling a deficit a surplus and a surplus a deficit. How are our people going to make up their minds what is right and wrong; who is right and who is wrong? I think we, as a house, should be careful to give to our people, through the press and radio, the truth as we see it, and they will then be in a position to make up their minds as to whether they believe we are right or wrong.

I have deliberately cut out any remarks about a certain subject — I want to say before I sit down, I do think we are not the 10th. Province and I do think that whatever government is in power at Ottawa will always tend to do that which is for the betterment of every province of Canada. I do not think for a minute that any province is to be persecuted because of its political majority. Therefore, Sir, I say I have every confidence in Ottawa, whether they be Liberal or Tory, that they will always hand out to Newfoundland those things which are just deserts. Oh yes, we criticize them a lot sometimes. Even members of the opposition have been known to criticize them sometimes as well as on the government side — and we will do it — Newfoundland is our first interest, Mr. Speaker. And I want to say, Sir, to the minister of Finance, although we might criticize his approach, the government of Newfoundland to us will always be Newfoundland whether we are in Confederation or not, and we shall always stand up for and fight for her. Thank you, Sir!

Mr. A. M. Duffy (St. John's Centre): Mr. Speaker, I beg leave to adjourn the debate.

Committee on Supply:

ESTIMATES:

On motion that the house go into Committee on Supply. Mr. Speaker left the Chair. Mr. Clarke (Chairman of Committee on Supply):

**DEPARTMENT OF
PROVINCIAL AFFAIRS:**

Hon. E. S. Spencer (Minister of Finance): Mr. Chairman, just prior to dealing with the department of provincial Affairs, which has now been called, I would like to ask permission to give the reply to some information which the hon. Leader of the Opposition asked for in regard to the department of Finance on Friday at the beginning of the debate on the Finance Estimates. The hon. Leader of the Opposition referred to Item 406-03. There the hon. member pointed out that the expenditure shown for 1958-59 was \$20,000 and that the expenditure estimated for 1959-60 was \$135,000 and, fairly enough, the hon. gentleman wished to have an explanation. The explanation is simply that, at the time the estimates were prepared for 1958-59, in which the \$20,000 was involved, there were no loans anticipated at that particular time. There had been no loans anticipated, and as a result no particular estimate was made for financing the debt. At the time the 1959-60 estimates were made, which show \$135,000, the estimated interest charges on anticipated loans may be attempted in this year, relevant legislation has been given the house's authority. It does not set down a specific amount but merely estimates. It could very well be, as it happened in last year, 1958-59, it could very well be that a supplement may have to be sought to pay the necessary interest charges on a loan, should these exceed the amount of \$135,000, as shown here. It is very simple. I think the hon. Leader of the Opposition is entitled to that information, and I thank you, Mr. Chairman.

Mr. Duffy: I am not quite clear on that. Is that anticipated interest on the loan of \$10 millions mentioned?

Mr. Hollett: In that connection, Mr. Chairman, I would like to say to the hon. minister of Finance — last year we passed a loan Bill for \$10 million and only borrowed \$4 million. Does that mean that stands, and how much?

Premier Smallwood: If so, we don't need to bring in the other Bill this session. We certainly won't have two Bills.

Mr. Hollett: Can we borrow on the \$14 million Bill? I mean, is it legal to do so without passing legislation?

Premier Smallwood: I don't know. If we can, we don't need to bring it in.

Hon. L. R. Curtis (Attorney General): I don't think there is any question about it. I think we can use the same Bill. I think we can do it on the present legislation if we want to.

Mr. Hollett: In that case why the \$10 million mentioned in the Budget Speech.

Mr. Curtis: We can still borrow from legislation already passed.

Mr. Hollett: We want to be sure before you bring in another loan Bill, if that \$14 million is still a fact.

Premier Smallwood: The Bill is not in yet and maybe won't be. Then this question won't arise.

Mr. Hollett: There was a \$10 million dollar loan Bill; now, why was legislation brought in a short while ago?

Mr. Spencer: There has not been any legislation for a loan Bill this year. I suggest we let that stand and have the answer later.

Mr. Hollett: I wonder, before going on: The hon. minister referred to page 84 — Under Legislative (201) — Editor of Debates, \$2,000, I wonder would the Government give some consideration to that small amount for a man who has so responsible a job, as Editor of Debates.

Premier Smallwood: It is not a matter for the Government. It is a matter for the Internal Economy Commission, and my understanding is that the Internal Economy Commission are reviewing the question generally of the salaries of the servants of the house. He is a servant of the house.

Hon. M. P. Murray (Minister of Provincial Affairs): I would say, Mr. Speaker, as far as civil defence is concerned, there is a complete re-arrangement in Ottawa. It was formerly under Health and Welfare, in Ot-

tawa, but the function of civil defence has been broken down and some sections of it assigned to the department of National Defence and some to the department of Health and Welfare, as formerly, and some to the department of Justice, and the remainder comes directly under the Prime Minister's office. Apart from that, there has been a new financial re-arrangement. Up to last year the amount spent by the provinces was on a matching basis, 50-50, and from now on the Federal government pays 75% of the total. A regional officer has been appointed for each province. That is the channel through which we will deal with Ottawa.

Mr. J. D. Higgins (St. John's East): There is some suggestion current that they are going to move to Buckmaster's Field?

Mr. Murray: More and more is being taken over by the army, but the office remains at Fort Townshend. A lump sum, Mr. Chairman, is voted for civil defence, and 75% will be paid by the Federal government. On motion, department of Provincial Affairs, carried:

DEPARTMENT OF EDUCATION VI

Premier Smallwood: I may say, in connection with salaries: While I am minister I do not draw any salary. I never have, when I occupied two offices.

Mr. Hollett: It costs \$130,000 to purchase and distribute \$44,000 worth of books? That is what is indicated.

Premier Smallwood: Mostly that is the cost of distribution. School books are heavily subsidized by the government.

Mr. Hollett: Teachers' pension — I understand that is also being looked into by the Pensions Commission.

Premier Smallwood: I don't think so.

Mr. Hollett: There were quite a number of teachers retired some years ago, indeed some prior to Confederation, and their pensions are very low. Is there no way in which their claim can be considered?

Premier Smallwood: They certainly will be considered when the government are considering the whole question of pensions.

Mr. Hollett: Why the reduction in Confederation Scholarships and bursaries from \$150,000 down to \$100,000?

Premier Smallwood: This one hundred and fifty thousand was not an expenditure and is not so anticipated. There is no actual expenditure, as the Committee will see because there was no such scholarship estimate. That was the first year. The amount shown was an estimate and it was over-estimated, an over-estimate of what would be needed. \$100,000 is much more realistic as an estimate of what will, in fact, be needed.

Mr. Hollett: It would make it much simpler for everyone like ourselves to understand these estimates if a column were made there for actual sums.

Premier Smallwood: It is almost too early at the time the estimates are being printed to have the actual sum for immediate processing. We have actual sums for the year before, when there was one. In this particular instance there was none in the year before because the scheme in question came into effect only last year. It was only too early when the estimates were printed to have the actual sum for last year included in the estimates.

Mr. Hollett: When they do turn up who will ever know?

Premier Smallwood: Always in the Auditor General's Report. In (611), if I may revert, the Committee will understand that shortly there is to be a great change in the whole field, when the new university is built. The present university buildings will be vacated, and will become part of a vocational educational system.

Mr. Hollett: Would the Premier tell us about what time he expects the new university building will be finished completely?

Premier Smallwood: From a year-and-a-half to two years from now. The Committee might not the tremendous increase in the

last section, last item, Transportation of School Children — Under (614) — Grants.

Mr. Hollett: Surely it is not that much, Regional High Schools, \$100,000.

Premier Smallwood: It is increasing rapidly. Also, the number of teachers is increasing steadily and the salaries are increasing steadily because more teachers are qualifying for higher rates of salaries by higher academic qualifications.

Mr. Hollett: Before being carried — Documentary Films, what is that?

Premier Smallwood: All films for the government are handled there for the simple reason that the department of Education has a Visual Education Division which has been dealing with motion pictures and has good occasion for doing so. Consequently the government places in that department and in that division of the department everything in connection with films. That is why it appears there. The hon. Leader of the Opposition will have a chance soon to see two motion pictures, shown to Rotary the other day. They are magnificent beyond all words. Made by Lee Wolfe, one on salmon and the other on tuna fishing; just out of this world.

On motion, department of Education carried.

On motion that the Committee report progress and ask leave to sit again.

Mr. Speaker resumed the Chair.

Mr. Clarke: Mr. Speaker, the Committee on Supply considered the matter to them referred and have passed estimates under the following headings: department of Provincial Affairs, department of Education, on current account.

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

On motion, all further orders of the day do stand deferred.

On motion, the house at its rising adjourned until tomorrow, Tuesday at three o'clock.

Tuesday, June 30, 1959

The house met at three o'clock.

Mr. Speaker, in the Chair.

Hon. J.R. Smallwood (Premier): Mr. Speaker, since we met yesterday the death of a former respected member of the House of Assembly has occurred. Mr. Thomas LeFeuvre was a member of this house for a constituency on the Southwest Coast, I believe the constituency of Burin, for a number of years. I, believe indeed that Mr. LeFeuvre was the running mate of the late hon. J.S. Currie. I believe that Mr. LeFeuvre and Mr. Currie were the joint members of the district of Burin, which in those days was represented in this house by two members.

Mr. LeFeuvre came here to this chamber on at least one occasion that I recall during the life of the National Convention. I believe he was on a visit to St. John's from Burin, or that part of the coast in which he was residing, and being in the City came up to the chamber to witness a meeting of the National Convention. Mr. LeFeuvre had passed his eightieth year, and is perhaps the last of the members of this house elected as long ago as the General Election of 1913. He was elected in 1913, and he sat here at least until 1919. I do not recall if he ran for re-election in 1919. If he did he was not elected.

Hon. J.T. Cheeseman (Minister of Fisheries): He did not run.

Premier Smallwood: Because the men who were elected in 1919 were the late S.J. Foote and the present hon. member for Burgeo-LaPoile, who now tells me that Mr. LeFeuvre did not offer himself as a candidate for re-election in 1919. I do not recall the first time that Mr. LeFeuvre was elected. It may have been 1913 or 1909, in the election following the tie-election. Mr. LeFeuvre was one of the last of the old school, and fine school of Newfoundlanders, a type of public man that we will see perhaps no more. Sir, I am sure it would be the desire of the house to go on record as taking mournful note of the passing of a former member of this chamber. I think perhaps the house would wish to send,

through you, Mr. Speaker, a note of condolence to his widow.

Mr. Speaker: That will be done.

Hon. M.M. Hollett (Leader of the Opposition): Mr. Speaker, I just wish to say a word or two in support of the respect paid the late Thomas LeFeuvre. The opposition too, wish to join with the hon. Premier's very nice words in connection with the death of Tom — Tom, I call him. He was quite a bit older, but Tom LeFeuvre and his brother Frank were two of the finest citizens Burin has produced. As the hon. the Premier pointed out, he served his country faithfully and well here in this house. He has left behind at least two sons who are very fine citizens, and I take it his widow still survives him. Both the LeFeuvre men were men that we could really honour. They were absolutely truthful and above and beyond reproach. I am very, very happy or proud, shall I say, having come from Burin myself, to be privileged to join with the hon. Premier in these few words of respect to the family, and we wish that the relatives will be advised of the feeling of grief that we have on his passing.

Hon. J.T. Cheeseman (Minister of Fisheries): Mr. Speaker, with your permission, I should like to join the hon. Leader of the Opposition in paying tribute to the late Thomas LeFeuvre. To me it is a personal loss. The LeFeuvre Family and my own family were neighbours for a very long time, back in the days when his father came to Burin from the Jersey Islands and my grandfather came to Burin from the West of England.

The late Mr. LeFeuvre taught me in school longer ago than I can remember. My mother often told me that on many occasions when Mr. LeFeuvre was on his way to school he would stop by the house and take me along out of her way. I was always in someone's way. Not a word of praise that I could utter would be too great to the memory of the late Mr. LeFeuvre. He was a great citizen. He was a lay reader of the Church of England and Sunday School superintendent from the time he was 16 until six months ago, when at the age of 81 he took ill. He was, as has been said, a member of this house. He was well-known also in the

community life of the country, and he and his brother conducted a very successful fish business. He was an outstanding man in every respect and a great credit to Burin. He was one of the leaders of Burin, the type of man of whose calibre we have all too few of in this Province today. Mr. Speaker, I beg to share in the tribute paid both by the hon. the Premier and the hon. Leader of the Opposition to the late Thomas LeFeuvre.

NOTICE OF MOTION:

Hon. J.R. Smallwood (Premier): Mr. Speaker, I give notice I will on tomorrow ask leave to introduce a bill, "An Act Further To Amend The St. John's Shops Act."

NOTICE OF QUESTION:

Notice of questions on tomorrow given by Mr. Duffy.

ORDERS OF THE DAY:

WAYS AND MEANS:

Motion, that the house go into Committee of Ways and Means.

ADJOURNED BUDGET DEBATE:

Mr. A.M. Duffy (St. John's Centre): Mr. Speaker, the present session of the legislature will be probably unique in the history of the house, opening in an atmosphere of tension and an air of emergency. The proper business of the house was overshadowed by matters which, in a normal session, would ordinarily have no place here at all. It may very well be that this session will close in an atmosphere of uncertainty, for reasons that are very different from those which brought about the early opening in January last. When speaking in the Budget Debate, Mr. Speaker, one is given a little latitude to touch on a variety of subjects which are not permitted or which on other occasions would be precluded. I do not intend to weary the house by taking full advantage of this privilege. In the light of a

deficit of nearly \$11 million, my opening remarks will appear to be unimportant to everyone, perhaps, except the traditionalists. This house stands in many ways as a symbol of our way of life and indeed of our history for more than a century. Down through the years many Newfoundlanders, both native and sons by adoption, have had the distinction of sitting here as members of the House of Assembly. In spite of all the changes that have come about some of them truly revolutionary, some of them taking up our ancient traditions by the roots in spite of the mutable aspects of our history — and I am thinking, Mr. Speaker, too of some events that took place prior to Confederation, if hon. members can bring their minds back to that period, "BC". But, Sir, there is one thing, and, as I said before, it is terribly important except in a traditional sense, that the members here are still members of the House of Assembly. For the preservation of that tradition I do not know who to thank, maybe the Premier. It is at least one tradition that has survived. Generations of members of the House of Assembly have sat here representing the people. Some of them (a few) were great men, some of them had greatness thrust upon them, but most of them, Mr. Speaker, were ordinary mortals with varying degrees of intelligence and ability. All of them I like to think (and I do think) had one thing in common, and that was the good of Newfoundland. All of them, past and present, were and are imbued I feel, with that little spark which had a divine origin; a deep and abiding love for their native land. It is summed up in the very over-worked word — patriotism, which simply means love of one's country. I think Goldsmith said it all in a few homely words: "Such is the patriot's boast, where ere he goes, his first best country ever is at home." Were I to think otherwise, Mr. Speaker, I would be compelled to come to a dismal conclusion, that this hon. House and all its trappings are a mockery and sham. I am critical and I am cynical about a number of things but I am grateful that my cynicism does not bring me to that unhappy state of mind.

Now this preamble, Mr. Speaker, is not an attempt to be oratorical. It is rather a premise on which a very serious conclusion may be drawn. The changes which have come about, and which have brought great mater-

ial benefits to our people in this remarkable age of social welfare, have also brought about a complex situation for government. We find ourselves on a treadmill and cannot get off. It is unfortunate that everything in this modern and progressive age must be reduced to terms of dollars and cents. It is unfortunate too but painfully obvious, I submit, that this great continuing pattern of social welfare, with all its material advantages, tends to destroy the spirit of independence of our people. That, I suppose, is a natural consequence of a system that is designed to make people more and more dependent on government. Never in history has such emphasis been placed on personal material security, too often to the exclusion of other things that have perhaps more real value. This is not an age, in my opinion, that will produce many great men in any field of human endeavour.

Now, Mr. Speaker, I would like to compliment the minister of Finance on the very excellent presentation of his budget speech. It is, in all probability, the longest budget speech ever delivered in this house. It must be recognized, of course, that much of it had little to do with purely budgetary matter, and the minister took advantage of this opportunity to give a run-down on the history of this administration over the past 10 years. I am not suggesting either that that was out of order. But, Sir, to keep the record straight, I have to point out that he gave us purely the palatable bits of history, and not at all in sequence. The long list of achievements, without making reference to other matters, has a rather familiar ring. I was inclined to think of another place from whence a great stream of money flows, and one would get the impression that was a one-way street. Never a reference was made to the flow-back in that same direction. I don't propose to elaborate on that reference, Mr. Speaker, because it might cost me my head, and my seat — but I merely want to point out that the attitude of the government (maybe all governments, provincial, federal and possibly municipal) is inclined to give, for public consumption, material that merely suits the people. The opposition, fortunately, are in position to be more factual, more analytical, to point out the obvious discrepancies and omissions that are made by gentlemen who make public statements.

Out of a morass of words and figures, the one stark factor emerges from the budget speech and from the budget, i.e., that having spent weeks printing this budget and whittling down the original estimates of the ministers, the one thing that stands out is that this administration is insolvent in its cash position to the tune of nearly \$11 million. As a matter of fact, if the original estimates had been printed, this deficit would not have been \$10,758,500 but nearer \$17 million. I would like to point out here that with all the confusion and publicity given to Term 29, that Term 29 cannot be blamed for this dismal financial situation that the government presents. The McNair grant, Sir, is included in the estimates, and also the Atlantic Provinces grant, which as we know is purely temporary, although it might be continued; the fact does remain that it had, by arrangement, a life of four years, two of which are gone. In terms of dollars and cents the government has received the amount totalling the original submission of the Newfoundland Commission and a little bit more — a little more than \$15 million. Now, Mr. Speaker, all this brings up one very obvious consideration and that is that the government should be giving greater consideration and more serious thought to the future. It is a safe assumption that expenditures will not go down, they will not remain static, they will rise year by year. Will our revenues increase? It seems very unlikely — and they might possibly decrease with the limited avenues left open to the government for further taxation. It is quite obvious, I am sure, that any decrease in that direction would bring about the law of diminishing returns. It is fantastic, I wonder, to say that in a very few years that there will be probably \$20 extra million needed to keep going? Is borrowing the only answer? Admitting that Newfoundland has a potential for borrowing, it must not be forgotten that every \$1,000,000 borrowed is actually resulting in the loss of revenue to an amount of at least \$50,000 or \$60,000. The laws of economy demand that borrowing is only sound when the ability to repay exists. Can Newfoundland continue, year after year, borrowing at the rate of \$10 million? Newfoundland was strangled before through excessive borrowing. The Premier was very well aware of this when he said some years ago that borrowing was the

curse of Newfoundland — He has said "My government will not borrow." As I have said on previous occasions, Mr. Speaker, we are prepared to agree that was an immature statement. But, Sir, the public commitments have reached and over-reached the point now of the amount that ruined Newfoundland.

If — (and it is only a question of degree), if \$100 million of \$110 million brought about the financial ruin of Newfoundland before, how many millions will bring that ruin about again? Will it be \$150 millions? That will take five years at the rate we are going. The time to take stock, Mr. Speaker, in the opinion of many serious thinking people of Newfoundland, is right now — not when we are hopelessly head over heels in debt. It seems to me, Sir, the Government is too complacent about the financial situation in which it finds itself. If indiscriminate borrowing is unsound, and it is, is Term 29 the only answer? I have grave doubts. The only answer seems to me to be one that would perhaps be politically unwise but very sound economically, i.e., Sir, to live within our means. We hear the Premier and other ministers talk about pressing forward on our roads program, electrification schemes and in every field of public services. I do not criticize that. I agree that we are entitled to these things, and I agree that, if it is at all possible, we deserve and should have them all. But, Sir, what I want to know is — how are they going to be paid for?

Now, Mr. Speaker, the minister has stated that the \$10 million deficit will be eliminated through the sale of debentures. That I doubt. We all know that today, with conditions on the bond market, it has less attraction for the normal investor than perhaps ever before. Financial investments are not attractive in these days when taxation has such a great appeal to tempt people into a little more speculative but still safe investment. That again devalues the dollar and makes capital gains investment much more attractive. In other words: The bond market is such that I don't think one is required to have the faculty of prophecy to say that, if the government succeeds in getting this \$10 million loan through, it will be the most expensive money that this government ever borrowed.

Premier Smallwood: The Canadian gov-

ernment is paying over five and a half per cent.

Mr. Duffy: I don't think, Mr. Speaker, the Canadian government can be compared to this government, because one has a potential and one has none, or very little. I don't think there is any argument about that at all.

Hon. E.S. Spencer (Minister of Finance): That is a good advertisement for the Province.

Mr. Duffy: I think, Mr. Speaker, the time has come when we must not be too impressed by references from the other side to advertisements for the Province. I think if we face the situation now, we might not be faced with a much more serious situation with regard to this Province and the good name of this Province and the credit of this Province. I think the time has come to prevent that very situation. We are told too that the government will take care of the balance necessary — the \$758,000 by short-term financing. I do not know if this includes the \$500,000 that it borrowed from the Workmen's Compensation Fund which in fact has turned out to be a permanent loan or a "Kathleen Mavoureen" loan; which the government is committed to repay in six months. It has overcome that technicality by paying it today and taking it again tomorrow. I doubt very much if there is a cent in actual cash expended.

Now, Mr. Speaker, the government cannot escape its share of blame for the sorry financial picture presented in this budget. As my colleague, the hon. Leader of the Opposition said yesterday: "it is a smoke screen budget." Well, Sir, whether by design or purely by accident, I am inclined to think that is what it is. We have heard a long list of achievements. We have heard a long list of huge expenditures. Well, these things are in the past. It is very much more important to think of the future than to dwell upon the glories of the past. As I said, it was the lengthiest budget speech, which, while admirably presented by the minister, tended either by design or by accident to be obscure as to the real meat of this lengthy document. As I said before, the insolvent position could not be hidden to the tune of \$11,000,000.

Down through the years, this administration has shown a spirit of extravagance, and this spirit of extravagance is reflected year after year in the Public Accounts. I have time and again, on the occasions that I have had to speak here, drawn this to the attention of the house, and have mentioned specifically, examples of obviously unnecessary expenditures. I do not propose to weary the house with a list of these now because, for one reason, the list would be too long, but merely to give a few examples to demonstrate my point. Take the Fishery Development Authority and the three-man board receiving \$75,000 a year — \$25,000 each. The annual report would certainly seem to indicate that it has to borrow some of the activities of the Fisheries department to present what might appear a reasonable report. This \$75,000, Mr. Speaker, would finance part of the public loan, to the tune, I should think, of \$1,000,000 or perhaps \$1,250,000. How many school teachers would this \$75,000 provide? How many hospital beds would this \$75,000 provide? Last year, in the debate on the budget, and when the estimates came up, I drew to the attention of the house this unnecessary expenditure. And, Sir, in answer to a direct question to the Premier, when I asked him if he felt these men were worth \$75,000 he gave me a very simple and honest answer and an accurate one; that they were not.

Premier Smallwood: No! I did not say that! If the hon. gentleman will allow me: I said that I did not think that the work which they are now doing is worth that, but that the work that it had been intended they should do was worth it. But they are not doing the work that it was intended they should do. They are the same men, whether they did the work or not.

Mr. Duffy: Mr. Speaker, I am afraid I cannot just accept that. It does not make sense to take on a man and pay him for what we might be able to do.

Premier Smallwood: Not what it was intended, but what it was then intended they should do. The government of Canada did not come through.

Mr. Duffy: The fact remains, Mr. Speaker, that the government showed a very un-

sound policy in taking on a highly expensive staff for a job that they could not provide for them to do. Whether the Canadian government came through or not, the time to hire men is after the job is set up for them to do. But, Sir, the fact does remain that this continues, despite the fact that we have an empty treasury. Another matter was pointed out, that the number of cabinet ministers of this administration is far too many. The number of cabinet ministers in this Province exceeds all the provincial governments of the Maritimes, all the provincial governments in Canada, as a matter of fact, with the exception of Quebec and Ontario, and very, very few less than these two great provinces.

Only the other day I took issue with the Premier about a guarantee of a loan for the Adler's Chocolate Company of \$130,000. I mentioned at that time that the accumulated, unpaid interest from this firm was \$76,000. That was taken from the Public Accounts of last year. Actually the figures today are \$116,000 and further loans have been advanced to this company. When I made a comment on that, the Premier pointed out that these people were subject to competition. Well, what a shame! Mr. Speaker, to be handed over money for which you do not pay back any interest for the loan, and then to expect no competition. This is in line with the completely fantastic policy the government has shown in many of these ventures. Incidentally, I might say too that the Premier may think he was accurate in his statement about this competition but he just was not. That is just not the position. These English companies, the largest of whom, as he said the other day, are established in Canada, I doubt very much if some of them ever heard of Adler, and it would probably be far better for us if we had never heard of Adler. And, Sir, I would predict this. The almost \$1,000,000 gone to Adler's Chocolate Company will never be seen again. At this point, too, I may say that, despite the glowing account given about this Adler Company and the information we received that the Little Company had recommended it, and it was a flourishing concern, in spite of that, the Premier makes a lot of the fact, in a rather incongruous statement, that they won't get another cent. In effect he said: Well, I have written them off. That would not indicate to me

that the Adler people were quite as sound as the Bank of England.

Premier Smallwood: Surely the hon. gentleman would not want to misrepresent what I said? What I said, and very clearly, was that the Little Company had examined the company and said their prospects were very good and recommended to the government a total maximum further loan of so much. We have given them that, and that is all they are getting. That is all I said.

Mr. Duffy: I would like to ask the Premier if this is such a sound and flourishing concern as he glowingly paints? It just might be that another \$75,000 will just put them over the hump, but the government has no intention of doing that, and I have no doubt they are as much concerned about the success of this operation — Any way it does not make sense — a chocolate business set up around Conception Bay competing with highly industrialized areas, factories that have fantastic production. Compare these people. As you know production governs the cost in any industry.

Premier Smallwood: Does the hon. gentleman represent any chocolate company?

Mr. Duffy: The hon. gentleman mentioned, myself, represented a chocolate factory for 20 years, and if the inference is that I am talking with bias because I am interested, that particular company was put out of business during the war, and I was put out of business during the war because all my connections were English, and for purely sentimental reasons I retained the representation of that company, and my net profits last year from that chocolate factory company were exactly \$80 and some cents. So I suggest, if the Premier had any ulterior motive —

Premier Smallwood: I did not even know if he was, but it suddenly struck me he seemed to be deeply interested.

Mr. Duffy: I know something about it and that is why I speak. Mr. Speaker, I noticed in the Public Accounts that the nearly \$2 million that disappeared two years ago, I believe (or more than two years ago) with Superior Rubber, is listed under the heading of

Loans, Advances and Other Assets. Now, maybe it is the commonest way of doing things, but, Sir, I doubt very much if that list were submitted to the Bank of Montreal as collateral against the latest advance the government were given, and when one talks of public commitments and indebtedness, it would seem to me that a businessman would take the loss on that and remove it from his assets, because it presents a false position. I don't think the mortar and stone structure in Holyrood will ever repay the government to the amount of \$2 million.

Sir, the minister of Finance gave us a very fantastic analysis, or drew a fantastic conclusion from the expenditure of large amounts of public monies in the so-called new industries, when he pointed out the tremendous contributions that these plants had made to our economy. If we give that a little thought, Mr. Speaker, we shall be compelled to either the conclusion that it is sound to pass over large sums of money and not expect to see a cent of it, for the provision of a few jobs and a very few jobs. As a matter of fact, we have never been able to find out the exact number, and the only reason for that is that it does not approach nearly the fraction of the number so glowingly spoken about here a few years ago. I would like to say, too, in connection with these plants (and I can corroborate this by the way) that one man succeeded in getting a job in one of these industries. He was a skilled worker and he was paid \$15 a week. This skilled worker was paid \$15 a week. I know the man. He has told me this personally, but would not permit me to use his name. But, Sir, I can corroborate this through a third party, if the house so desires.

Mr. G. Nightingale (St. John's North): Mr. Speaker, if he were a skilled worker surely he could get a job somewhere else for more than \$15 a week.

Mr. Duffy: Mr. Speaker, I did not yield the floor.

Mr. G. Nightingale: That is going too far!

Mr. Duffy: The few examples I have given, Mr. Speaker, are a few of many.

Mr. Speaker: The hon. member did not yield the floor.

Mr. Duffy: I think, in my opinion, the most urgent and the most necessary task that confronts the government today is to sit down and take stock of our financial situation. And, Sir, the government has shown little if any initiative in resolving the financial problems of Newfoundland. It is, as I said before, quite complacent to go on borrowing and borrowing until it will reach the point, and very obviously it is a logical sequence that it will reach the point, that we are in very, very serious difficulties. It is not enough to say that Newfoundland borrows the same as any other government does. A provincial government, particularly the provincial government of Newfoundland, is not in the position of the government of the country. It has limited channels from which to collect taxes. And, Sir, we are now long enough in this scheme of Confederation to know that we cannot continue at the rate we have been continuing for the past few years. The public debt, as I said before, from indirect and direct obligations, is higher now than it was when we lost responsible government, and that took 100 years or pretty close to it.

Premier Smallwood: Would the hon. gentleman explain that extraordinary statement? That our debt now is as much as it was when we lost responsible government.

Mr. Duffy: It is more really.

Premier Smallwood: Explain that. I would like to hear.

Mr. Duffy: I am talking of the public debt. I will — and as the Premier pointed out a year or so ago, we must compare like with like. Our public commitments are made up of direct loans and contingent liabilities. And, Sir, I want to point out that some of these contingent liabilities might as well be a direct debt. That is what they boil down to. With the present direct loans, and including what is budgeted for, estimated for this year, it will be to the tune of \$66 million. Our indirect commitments, obligations, including the various loans, the unpaid accumulated interest —

Premier Smallwood: The loans we have made are debts? Our debts or the debts of the people we lent the money to?

Mr. Duffy: May I ask the Premier about the \$2 million loaned to Superior Rubber; is that a debt?

Premier Smallwood: That is not a debt, it is a loss, if you like. It is not a debt. We do not owe it.

Mr. Duffy: We can quibble with words, Mr. Speaker.

Premier Smallwood: The hon. gentleman cannot have it every way.

Mr. Duffy: The fact does remain, whether you lend a man \$100 or do it through a bond issue and don't get it back, the \$100 will be added to the direct money out.

Premier Smallwood: It does make a difference whether we lend him a dollar or he lends us, as to whose debt it is.

Mr. Duffy: That is exactly what he is doing — quibbling! I am not impressed!

Premier Smallwood: All the monies lent to town councils and educational authorities are monies we or they owe — Whose debt is it?

Mr. Duffy: I mentioned the contingent liabilities, Mr. Speaker, and I am not for a moment suggesting all these loans are in the same highly precarious situation that these loans to the secondary industries are. I am not suggesting that at all, — but whether you have sound reason or every expectation of getting back monies that you have lent —

Premier Smallwood: It is still not our debt. It is their debt.

Mr. Duffy: Mr. Speaker, I would like to —

Mr. Speaker: Order.

Mr. Duffy: You have the situation where you lent money, whatever for that is an obligation.

Premier Smallwood: Not our obligation.

Mr. Duffy: Mr. Speaker, I ask for protection. Whether these loans are paid or

whether they are not paid, while that money is out it is an obligation on the government.

Premier Smallwood: That is a new definition.

Mr. Duffy: If you guarantee a loan — let us say this \$2 million loan etc, — and you go to the banks to borrow directly for yourself, these obligations are taken into consideration in your credit standing.

Premier Smallwood: With the guarantees undoubtedly, yes, but not cash lent.

Mr. Duffy: If these loans are outstanding, when you go to borrow your credit position is taken into account from that aspect. Whether it is the attitude of the government, Mr. Speaker, to shrug off the grave responsibility that rests upon its shoulders today in the light of the future and in the light of future governments to throw off that responsibility by feeling it is not our headache, what happens later? If they feel that now that we are part of Canada we cannot collapse, they won't let us collapse — I suggest it is one or other of these attitudes that has been taken because there has been no sensible approach to the financial problems that confront us today, and to the continued financial mess we will be in tomorrow if something is not done. As I said before, if borrowing is the answer, God help our position in a very, very few years.

Premier Smallwood: What about an explanation of the bigger debt than when we lost responsible government? The hon. gentleman began it; will he not give us an explanation?

Mr. Duffy: Mr. Speaker, when I was talking about the debt that ruined Newfoundland, I challenge anybody to question the statement — if solvency means anything, if \$100 million ruined Newfoundland, or \$110 million.

Premier Smallwood: It was \$105 million of a direct debt and \$10 million of indirect debt.

Mr. Duffy: Mr. Speaker, I wonder if the minister would correct me when finished and not try to destroy my trend of thought.

I have the floor! Whatever amount over \$100 million it took to ruin the credit of Newfoundland, I pose this very sound proposition — that it will take “X” millions to ruin Newfoundland again, forgetting about the fairy godfather, 1500 miles away. That is not important. We have evidence of that. We have to paddle our own canoe now, largely. The problem is, at the rate we are borrowing, would it be \$150 million? Assuming that \$100 million was the original figure that ruined us, would it now be \$150 million? That would be five years. Or would it be \$200 million? That would be 10 years. Would it be \$250 million? That would be 15 years. There is, Sir, a point beyond which we cannot go, and unless the laws of economy are shrugged out of the whole proposition — and one might as well do away with the laws of averages — and despite all the objections, I am getting to my analysis of the financial position. In all the quibbling about figures, there is one thing stands out: If this government does not soon give serious thought to the financial position, both actual and potential, it will be just too bad for Newfoundland. And, Sir, the Premier, in his own heart and soul, knows that, and every sensible man on the opposite side knows it. There is no other possible way out.

I want to refer briefly, Mr. Speaker, to a non-contentious matter that has nothing to do with the budget, although it might conceivably have some bearing upon personal budgets. It has been drawn to my attention by quite a number of people who make their living through the operation of vehicles of one kind and another — bus drivers, truck drivers, etc., that after a hard day's work, these men drop in to a public place to get a drink. These men that I have spoken to — and they represent quite a few, have told me they go in to get a drink but come out with five or six because of this system which permits treating. I understand it is illegal, but it is certainly widely practiced. The position is that, if a man, say after a hard day's work, drops into have a drink, (which he is perfectly entitled to) he finds himself in the position of getting into this very same position of “rounds” as they are known. If he is given a drink, his pride won't permit him to just come out but he has to do the same thing. The result is that he comes out inebriated or nearly inebriated brought about —

Premier Smallwood: What is the solution?

Mr. Duffy: The solution is the law, on the books.

Premier Smallwood: There is a law.

Mr. Duffy: Then it should be enforced. May I ask the Premier who enforces that law?

Premier Smallwood: Are you going to station policemen in every tavern to see nobody “treats” or accepts a “treat”?

Mr. Duffy: I am trying to point out — and when I criticize I am criticized for bringing it up at all.

Premier Smallwood: No! It was not a sarcastic question, but a simple one.

Mr. Duffy: I think it is the duty, it is the obligation of the government to enforce the law. Mr. Speaker they bring the Bills in here for ratification, they frame the law and we are asked how they can be kept. Whatever the solution is, it is a very serious problem.

Hon. L.R. Curtis (Attorney General): It is a very difficult matter to know where “treating” is going on. There are five men around a table in a beer parlour who order a round of drinks. I suppose even the tavern owner himself does not know until they go out who is going to pay for it. We would be glad if my hon. friend would give us a lead because I agree 100% with what he says.

Mr. Duffy: If you want a simple solution it would be the observance of this law. And, Sir, I think it is very, very important to observe this law, in view of the fact that men have come out and lost their licence and their way of living. Some attention should be given to it. One solution to me; how sound it is I don't know: Every public place of that nature if that law were prominently displayed on the walls would have some moral effect at least on people concerned. I don't know whether anything has been done. But, Sir, it does not seem sensible to be passing laws here, and not bothering about the observance of these laws.

Premier Smallwood: If that were done

would it not be equally necessary to post on the same walls all the laws affecting drinking?

Mr. Duffy: That would not do any harm either. If we are going to take a negative attitude: "We have a law; it is not being observed; to heck with it;" well then, Sir, I don't think there is any point in bringing it up.

Premier Smallwood: If the hon. gentleman had as much experience as I, he would agree there is little —

Mr. Duffy: I don't know what the Premier means by "as much experience."

Mr. Speaker: I must agree with the member for St. John's Centre — The Premier should explain that.

Mr. Duffy: That law, of course, does not apply to ginger ale.

Hon. M.M. Hollett (Leader of the Opposition): It does not refer to budget day either.

Mr. Duffy: I want to refer to one or two contentious things this house had to deal with, not fully but in part. It may deal more fully with the second matter, Term 29. In the confusion regarding the legality, constitutional and moral, of the wording of this contentious clause, it is cold comfort to point out that perhaps the framers of that clause should have given more thought and consideration to the explicit obligations it would contain. However, I am one of those who feel that the spirit of this important clause clearly imposes a contractual obligation on the government of Canada. I am sure it was never envisaged that any Canadian government would try to crawl out of this obligation through a legal loophole. If that is true, then this Union can never be a happy one.

This Union has been likened to a marriage. Just why that is so I do not know, because, if a marriage between two people is depending for its success upon the purely legal obligations, without the spirit of continued co-operation and mutual respect, then that marriage will be doomed to failure. If Term 29, whatever way it was worded, Mr. Speaker, did not indicate an inherent oblig-

ation on Canada what was the purpose? In the first place, what sense was there to have Term 29 if it were not designed to bridge the gap between our ability to pay for public services at the level and standards reached (that famous phrase), and the amount necessary to maintain these services? What purpose was there in wasting time on this Term 29 in the first place?

Premier Smallwood: Or what other meaning could it have?

Mr. Duffy: That is quite true. I have been disillusioned about several things over the past few months. I hope I won't be disillusioned about this.

(Applause from the Government side)

Mr. G.R. Renouf (St. John's South): Mr. Speaker, I ask leave to adjourn the debate. On motion debate adjourned.

On motion the house recessed for 10 minutes, after which Mr. Speaker returned to the Chair.

On motion that the house go into Committee of Supply Mr. Speaker left the Chair.

Mr. Clarke Chairman of Committee of the Whole.

ESTIMATES:

DEPARTMENT OF THE ATTORNEY GENERAL — VII:

On motion Items 701 through 706 carried.

Mr. Hollett: Mr. Chairman, under 707 there are 42 constables and the amount of money to be distributed is \$448,000 for salaries. I wanted to raise a point in regard to the working hours of constables. The reason why I am particularly in favour of doing anything that will make a constable's hours a little more pleasant is the fact that, for 25 years I had constables under me, so to speak, and I always did find them very willing and indeed anxious to carry out, to the best of their ability the laws of the country, and to work overtime at any time when it was absolutely essential. But, Sir, in this day and age, when nearly everybody is for a 40 hour week, the constables themselves feel they would like to have shorter hours. There are 140 men here in St. John's today,

constables, and I am sure it would be possible if properly arranged to have a schedule where it would be possible to give police officers, constables, a 40 hour week without incurring any very heavy extra expense. I am wondering if the hon. minister or the Attorney General would like to give us some assurance that will be done? I know constables are working now on an average of 12 and 10 hours a day, and during the visit of Her Most Gracious Majesty, Her Royal Highness, the Queen, they had to work 16 hours while the rest of us were enjoying ourselves, walking around, trying to see the Queen, and the like. They may have gotten paid for that but I am wondering if the Attorney General could give us assurance something would be done on that?

Hon. L.R. Curtis (Attorney General): I may say my hon. friend has spoken to me about that matter on several occasions. Indeed, about six months ago I did receive a petition from some of the policemen to that effect. I have been given to understand the petition was not generally signed, and that it was not generally approved by the police force. I think I can safely say that the force, for the first time in their lives, the policemen, are enjoying the conditions under which they work. When I came into the office as Attorney General, there was no such thing as a man being able to be off on Sunday. Now they are off every second Sunday. I think the working conditions now are heavenly, compared with what they were in 1949 when I became Attorney General. Indeed I am very happy about the progress we have been able to make. I quite appreciate the fact that it would be a nice thing if we could give the police a 40 hour week, but we must not try to force a situation which I think is developing very satisfactorily. Every day we are trying to improve the lot of policemen, as my hon. friend will see from these estimates. The police in St. John's are costing us \$675,000 this year. That is a lot of money. That does not begin to show the real cost. The pensions of the police alone are \$200,000 a year. So, Sir, the police force is really costing us \$850,000 a year. That is a pile of money, and I am not sure that I can conscientiously go to the government and ask for additional money at this particular time. I believe if we do what the hon. Leader of the Opposition suggested, it would cost in

the vicinity of \$100,000 a year and \$100,000 at the present time is rather more money than I would like to take the responsibility for asking for. It would bring the total annual cost of the police force to practically a million dollars a year, and you are getting into a lot of money then. However, I assure you we all heard the hon. member's comment today, and approve of what he said. However, I assure my hon. friend that the matter is not being overlooked. I have already discussed it on several occasions with the Chief of Police, and have already asked if the house could not be changed around. But, Sir, it must be admitted that sometimes the policing of St. John's is very light, and sometimes we have much fewer men than we would like to have. Therefore, Sir, it is a question we have to consider very seriously as to whether we should spread our police force much more, as we would have to do if we gave them a 40 hour week. Sir, we cannot spread the butter too thinly. We might as well not have butter on the bread at all. I assure him we are doing the very best we can.

The hon. gentleman referred to the hours spent during the Queen's visit. It is true the police did work at that time. We were faced with the question as to whether or not we should enroll special police, as we did the last visit, or get the police to work overtime. It was generally agreed that, in the interest of public safety, it would be better if the police could be persuaded to work overtime. And, Sir, the police not only agreed to work overtime but members of the Fire Department also agreed to come up and help. It is my intention to ask the government very shortly if the government will approve paying overtime to the police and to the firemen for these extra duties. I do not feel that the government will not agree to my suggestion that they be paid overtime. That will cost no more and in fact much less than if we engaged special constables, and at the same time there will have been much more satisfaction, because special policemen have to be watched almost as much as pedestrians. The Premier has asked me to make it clear that the \$200,000 pensions should not all be charged to the City of St. John's, because a lot of these receiving pensions were men employed by the whole province prior to Confederation — but it is a considerable item.

Mr. Hollett: It is not money I am asking the government to consider, it is the lives of men. One died recently carrying out his duty. These men work for less than \$9 a day, a 12 hour day, six days a week and sometimes more. They are at the beck and call of every department, almost of every citizen. They have their wives and their children. In this day and age, when nearly everybody is looking for a 40 hour week, and many people are much better paid than the police, I don't think the government is wise in looking at it from the money aspect. We can't do without our police. We have plenty of policemen in St. John's today. As a matter of fact I think we could probably do with less. But, Sir, I am quite sure if the hon. the Attorney General could only give some assurance a sort of schedule might be worked out, giving it a trial at least for six months and see what comes of it, I am quite sure the police constable would co-operate in any way, shape or form to improve, if possible, under a new schedule whereby they would have five eight-hour days. Then they would have some time they could devote to their families; they would not be at the beck and call of the Chief of Police or somebody under him any hour of day or night. I don't think that is right. Mr. Chairman, I see where we contributed for the Royal Canadian Mounted Police in Newfoundland \$600,000. How many RCMP's are there in this Province? I wonder could the Attorney General tell me.

Mr. Curtis: I have to work it out. They cost the Province \$5,000 a year each in Corner Brook. An RCMP Constable costs the Canadian government \$7,000 a year each. We pay 15% for those in Newfoundland, \$3,500 but in Corner Brook we have to pay 75% because it is a city — so my friend can work it out himself. But it looks as if there are about 30 in Corner Brook. I think, actually, in the whole Province there are about 160. But remember the RCMP costs us nothing in the way of pensions. They contribute to their own pension scheme and we don't have to. That is a very considerable thing.

Mr. Hollett: It does not cost the government, but costs the taxpayers.

Mr. Curtis: You must remember a police

officer gets a pension after 25 years and sometimes when only 50 years of age. He is pensioned from that time until he dies. As a matter of fact, I understand that some men retired away back in the 1920's are still getting pensions. It is a very expensive scheme and very valuable to the men, which I am afraid sometimes they do not appreciate. A policeman, after 25 years, gets a 60% pension, and after 30 years a 75% pension. That is a beautiful pension scheme, and we have to bear in mind that it costs money.

Mr. Duffy: Why is the period of service so short? There are an awful lot of young men pensioned.

Mr. Curtis: It is felt when a man is over 50 he is too old to be put on the beat, and unless he has been promoted to become a head constable or sergeant or inspector he has to retire.

Mr. Hollett: Is not that a very good reason why they should have shorter hours? At fifty a man is worn out?

Mr. Curtis: It is not because he is worn out but because of his age.

Mr. Hollett: I must say I raised this same point last year, and I was under the impression the Attorney General and the Chief of Police were working on it. I am afraid that there has been very little work. You have 142 men, 142 families here in St. John's. I would like to get some assurance from the Attorney General that this thing will be given the deepest study, relative to the importance of the matter which has been raised. I did take this up with the Attorney General, Sir, on several occasions privately, and I say now I do not want any suggestion to come from this side of the house, but wanted it to come from the Attorney General. I hope it comes from him now. I know he has to look after the expenditures of his department, and the government has to look after all expenditures, and consequently any suggestion of that kind, I think, should come from that side of the house. But, Sir, I have the interest of all these policemen at heart. I know what they go through. I know what they have to put up with. I have seen them called everything, in the courts and out of it, and they are always

willing to serve and do what they can for our people. I do think, Sir, we can make their lives a little more happy by giving them shorter hours of work. They don't have to work anymore than eight hours, clerks in stores, civil servants. I am sure nobody on the opposite side of the house, except the hon. the Premier, works more than five days a week. He is supposed to work 18 hours, I believe, a day. But, Sir, nearly everybody today is asking for that, and I think it would be a great credit to this government if they initiated some scheme whereby the police force could be given a 40 hour week. I know they would appreciate it and, of course, all our people, I think, would appreciate it.

Premier Smallwood: Mr. Chairman, I am glad the hon. Leader of the Opposition has raised this question. I think, Sir, that in addition to what the Attorney General has said about it I might add a word as well. This is the only Province in Canada, the only Province, that maintains a police force in a city. The city of St. John's and the city of Corner Brook are the only cities in Canada with a police force maintained by the government of the province in which the city is situated — St. John's and Corner Brook. Now, if Newfoundland in this matter were to follow the Canadian or the American pattern, the English pattern, then Newfoundland would not provide policing at all in St. John's nor in Corner Brook. These two cities would be responsible for their own policing, traffic police and ordinary police, regular police, i.e., criminal and civil work as well as the traffic, the guarding of the city, guarding of property, protection of life and limb, is the responsibility of the city government or would be if St. John's and Corner Brook in Newfoundland followed the general pattern. This is the only Province of Canada, the only part of North America where the policing of a town or city is done by the government of the province or the state, as the case may be. The government, because it was doing the policing of St. John's, had of necessity, when Corner Brook became a city to do the policing of that city. When there is another city in Newfoundland, as there may be before many years, then the precedent is established, the government of Newfoundland will have to assume the financial burden of policing that third city.

The Attorney General tells me he has been notified by the RCMP that, after next year, insofar as they, the RCMP, are concerned, (they can't make our rules for us — they can only make their own rules) after next year they will be prepared to police Stephenville, Bell Island and Grand Falls only on the basis of their being regarded as cities for police purposes. In other words, they will not be prepared to police these three places except by charging the government of Newfoundland the same rate they charge for policing Corner Brook, which is 75% of the cost to them of having to police. The cost to them, as the Attorney General has told us, is \$7,500 a year for every RCMP officer. They charge the Newfoundland government half of that for ordinary policing through the Province but they charge us 75% in the case of Corner Brook and propose to do the same in Stephenville, Bell Island and Grand Falls. Now this means that around \$5,000 a policeman is the cost to the Treasury of Newfoundland.

Now, all this comes from the simple fact that in Newfoundland we have not developed Municipal Government as it has been developed on the continent of North America and on the continent of Europe. Until recently we had only this city, and that was absorbed into Newfoundland for police purposes, and also under Confederation, because I personally, (when the fight was on to get Confederation) promised the police and the fire departments, both, when they came to me in a deputation, that while I had anything to do with it they would not, i.e., the police force of St. John's and the firemen of St. John's would not be passed over to the City of St. John's to become a city responsibility. Neither of them wanted that, although they both knew the Canadian pattern called for it, called for their being passed over to the City of St. John's. They did not want that and they came to me in two difference deputations. I gave them my personal pledge that under Confederation, so long as I was associated with it, that would not happen. That is why it is that, to this moment, St. John's is the only city in Canada (and Corner Brook) these are the only two cities in Canada whose policing is a Provincial government charge.

Now, in the light of these facts we have been reasonably generous, not too generous but

reasonably generous to the police. For the Newfoundland Constabulary, with its fine traditions and fine record in Newfoundland, I don't think that we ought to be urged too strongly even by that friend of theirs, the hon. Leader of the Opposition, nor anyone else — too urgently, too strongly — we have done fairly well by them.

Mr. L. Strange (Port de Grave): Mr. Chairman, probably I might be in a position to say a few words: I, like the hon. Leader of the Opposition, am very favourable to the police having shorter hours, but from my experience of dealing with the police force, and everyone knows here the hours I put in, passing through the constabulary up to the last few years put in before my retirement. For the purpose of making shorter hours for the constabulary, with the number of men in St. John's today, you have to draw a schedule to do that. And, to draw a schedule for less hours than they are working today, you must have a big reduction in the serving police. The reduction has to be extensive as far as the men for duty is concerned on each shift. To carry out a reduction in hours for any constable that would be of any benefit to the constabulary members and still give the city the service that it is getting today, would mean an increase of money over what it was today.

Now, I will admit that, since the present Attorney General has been in office, there has been quite an expansion of benefits, quite a raise in salaries to the constabulary. When I was appointed Assistant-Chief (I put in 11 years as Assistant-Chief) my salary at the start was \$2,000 to a maximum of \$2,900. That was the salary for the Assistant-Chief of Police. I put in 11 years until almost 10 years ago when the late Chief of Police, O'Neill, passed away. At that time I had reached \$2,900.

Mr. Curtis: How many years ago?

Mr. Strange: That was 10 years ago. And, when the late Mr. O'Neill died, in December, I sat down in his chair and the following January I was appointed Chief of Police. I was getting \$2,900 maximum, as Assistant-Chief of Police when he died, after serving 10 years. When he died I sat down in his chair for \$100 a year more.

Mr. Hollett: That has nothing to do with this.

Mr. Strange: That is the benefits in salaries.

Mr. Hollett: I was paid \$90 a month when I became magistrate.

Mr. Strange: I received 12 cents an hour when I went to work first, in the freight shed up in the Reid Newfoundland Company. But, I am just stating about the salaries and the time they put in, in my time. But now I have heard the hon. Leader of the Opposition talk about old pensioners pensioned off on \$60 to \$80 a month. That is the clause I have sympathy towards. How did they ever live and get along on that that \$80 a month? Inspectors at the time were pensioned too. They are the parties I would like to see increased in salaries in their old days and old age. But if the government cannot afford to do it and can't afford extra men to keep the constabulary to the same standard and services as now, I can't see how they can get shorter hours out of it. In the last five years I was in the police force, there was not an increase in salary worthwhile. All the men from the Constabulary Office have increased considerably in salary within the past eight or ten years. I am one of the first to stand to my feet and vote for anything for assistance or anything more favourable than they are getting now, because I went through a lifetime of it. I know, and only someone in the Constabulary knows, what it means. You are in danger. There is no time that is your own. I have been lying in bed with the telephone along side my bed, and I have been in more difficulties and had more laws and stuff running around in my head lying in bed than I did up in the office because I had books there to look at. I understand what the constabulary force goes through, and they are entitled to every cent they get as far as the salary of the police force is concerned.

Mr. Hollett: Mr. Chairman, I was not talking about salaries. I was not talking about lots of things the hon. member has raised. I quite see now from where I sit over here, that when the hon. the Premier and the Attorney General and the ex-Chief of Police are not wholly in favour of this matter which has been raised, then I fear there is not

much chance for it, although the hon. member for Port de Grave has said he would vote for anything that would benefit the police — stand to his feet and vote for it. I am sure, Sir, we have enough policemen in St. John's now to carry out the 40 hour week, without any additional men.

Mr. Curtis: Ask the Chief of Police that.

Mr. Hollett: The Chief doesn't know.

Premier Smallwood: The present Chief.

Mr. Hollett: That is different. He knows. And the present Chief of Police is in favour of it — I am quite sure he is. He has not said so to me but I am quite sure he would be. I am only asking that the Attorney General and the government give this matter a trial period.

Mr. Curtis: Once we give it a trial we would never get it back. Once they go on a forty hour week.

Mr. Hollett: At the present time we have a policeman at every lamp post in Newfoundland, practically, and I am quite sure you would not have to increase the police force any more. I don't intend to give this up without a fight, and I don't want to fight over this. Something should be done in an amicable manner. If the government were satisfied to give it a trial, I would be very happy about it.

Mr. Curtis: Carried!

Mr. Hollett: Not quite carried yet.

Mr. Nightingale: During the absence of the hon. member, the Deputy Mayor of the city of St. John's (Mr. Higgins), I would just say we appreciate the arrangement made with the government for the upkeep of the police force in St. John's. The hon. Leader of the Opposition has stated, possibly we don't need any more policemen, but we must not forget the fact that the population of St. John's has increased tremendously over the last few years and shortly will be 80,000 people. That is quite a lot of people to look after. Some of these people, as I mentioned in Council Chamber today, even go to the extent of throwing drinking bot-

les around the streets. We have violations of traffic and a hundred and one jobs to do, and I, for one, have every confidence in the police. They are doing a real good job in the city of St. John's and I am sure the city is well pleased with the arrangement. I might say also that the city itself has so much to do financially, with new housing, water and sewerage, new parks, transportation to be put on its feet, at the present time it would be impossible to take over the fire department and the police. We thank the government, on behalf of the City, very much for the beautiful job they are doing there.

Mr. Duffy: Mr. Chairman, I would like to support what the hon. Leader of the Opposition said. I do appreciate the difficulties raised too. It is not necessarily a question of extra money. One suggestion I think the Attorney General made, to take up the matter with the Chief of Police, would probably be the most likely one, to ascertain how feasible it is. It seems to me if it were a question of cost, something I mentioned earlier in the afternoon is quite an unjust comparison.

Mr. Curtis: I have already told the house I have taken it up with the Chief of Police on several occasions. We have not dismissed this thing, just off the cuff.

Premier Smallwood: We don't reject these suggestions permanently and indefinitely, but only in this present session, in these present estimates. If we can, if things open up a little more than they are this year we will look at it again. The hon. Leader of the Opposition certainly made his point.
On motion Item 707 carried.
On motion Item 708 carried.

Mr. Hollett: On the Fire Department I wonder if the Attorney General could tell me the hours of work of the Fire Department?

Mr. Curtis: The hours of the Fire Department, Mr. Chairman, I understand, are most satisfactory at the moment. I understand that they have three shifts. One shift goes on today and they are on stand-by-tomorrow and they are off the next day. So that, Sir, every fireman has every third day absolutely off and every second day as a stand-by, purely in case of an emergency. It

is a new arrangement that came into effect about a month ago. We had to take on a few extra men to enable us to do it. I understand the present arrangement is very satisfactory and very much appreciated by all.

Mr. Hollett: I am glad the hon. the Attorney General said that, because he has given the best argument for the suggestion I mentioned some time ago.

Mr. Curtis: We could do the same for the police if they could take their beds to work with them like the firemen.

Mr. Hollett: The firemen are off every second day?

Mr. Curtis: Every second and third day, but still put in longer hours than policemen.

Mr. Hollett: I don't think they put in more than 40 hours.

Mr. Curtis: They put in 24 hours Monday, 24 hours Thursday — 48 hours.

Mr. Hollett: I am glad the firemen are satisfied.

Mr. C. Sheppard (Harbour Grace): Mr. Chairman, something that always amazed me in the fire department is the cost to the Provincial Treasury for maintaining the fire department, one fire department in the province of Newfoundland.

Premier Smallwood: We help now in the city of Corner Brook for their fire brigade. It is not only in St. John's now but also in Corner Brook.

Mr. Sheppard: I would like to say, Mr. Chairman, that scattered throughout this Province we have numerous small, voluntary fire brigades, doing a good service, insofar as they can, within the limits of their capabilities. I would refer particularly to three areas that I know well: Bay Roberts (not in my district) Harbour Grace (in my district) and Carbonear (in the District of Carbonear - Bay de Verde), and I know for a fact numerous other fire brigades are in operation. I don't know if it is the experience of other members, but I have had these voluntary fire brigades coming to me every

now and then wondering if they can't get some assistance, even assistance in trying to build garages in which to house their equipment. Now I recognize the fact, Mr. Chairman, that most of these fire brigades have been subsidized by the government in the procurement of their fire-fighting apparatus. But, Sir, when I look here and see the city of St. John's being paid the sum of \$390,500 for fire-fighting outfits for the city of St. John's, I wonder sometimes if this could not be expanded a little more to our voluntary fire brigades who in their own small way do exactly the same work as the city firemen here in St. John's. They risk their lives and their limbs and their clothing, and have no compensations at all, nothing. Yet, and as I say, I have been amazed that, year after year, there is no provision made at all. I wonder if sometime the Attorney General might take, under advisement, these small fire brigades, to see if we can't at least help some of them to a lesser degree, of course, than they help the fire department of St. John's.

Mr. Curtis: Mr. Chairman, I come from an outport district myself, and agree with what my hon. friend says. Unfortunately, the fire departments outside St. John's do not come under the Attorney General's department. These remarks might more correctly be made when the vote comes up for Municipal Affairs and Supply because, I believe, it is they who look after the fire departments in places other than St. John's and Corner Brook.

Mr. Sheppard: Not in all cases.

Mr. Curtis: Corner Brook comes under the Minister of Municipal Affairs and Supply too. I only inherited the St. John's Fire Department. Actually, fire departments in other parts of the province come under Municipal Affairs and Supply.

Mr. Sheppard: Not in all cases, Mr. Chairman. I can think of one place that has not a town council — South River, Clarke's Beach.

Mr. Curtis: They are still under Municipal Affairs and Supply and not under the department of the Attorney General.
On motions Items 709, 710, 711 carried:

Mr. Hollett: Mr. Chairman, on 712 — Consolidation Statutes and Regulations: Could the Attorney General give an idea what the exact amount was for printing and binding last year?

Mr. Curtis: Nothing whatever — it has just a token vote.

Mr. Hollett: No statutes last year?

Premier Smallwood: No consolidated statutes.

Mr. Curtis: The next printing, if any, will be the statutes and regulations we are trying to get compiled in one volume.
On motion Items 712 through 717 carried.

Mr. Hollett: Mr. Chairman, may I refer back? My hon. colleague, the member for St. John's East (Mr. Higgins), meant to raise this point. In his absence I would like to do so, in connection with the St. John's Magistrates Court.

Mr. Curtis: That matter. I noticed that myself, Mr. Chairman, in going through the estimates — it is a matter I intend to bring up very shortly.
On motion department of the Attorney General carried.

DEPARTMENT OF MINES

AND RESOURCES: VII:

Mr. Hollett: I want to draw attention to the matter I mentioned yesterday: travelling in the minister's department. I notice he is not in his seat.

Premier Smallwood: Any seat is his seat, any seat is any members seat.

Mr. Hollett: Do come over here. Could the minister give us an explanation of the increase from \$42,000 to \$54,000?

Hon. W. J. Keough (Minister of Mines and Resources): That was the estimate. The actual figure the year before was \$48,000.

Mr. Hollett: May I point out that all the estimates have been exceeded.

Mr. Keough: Mr. Chairman, there is quite specific reason: Over the period of the last two years we have taken under active management, forest management, some 45 forest management areas in the Province, and these involved a much more immediate attention on the ground by forestry officers and consequently involved a considerable amount more of travelling.

Mr. Hollett: While the minister is on that point — I raised the point yesterday — could he give an explanation as to why these men are sent all over the country in their own cars.

Mr. Keough: I suppose the department of Mines and Resources have a more varying field staff than any other department, and I don't think the field man does very effective work sitting down in an office warming a chair. Actually, I had the department this morning bring down for me the cost per mile, dividing the number of miles by the cost and it worked out to about 12 cents per mile of travelling. That is quite in line with the rest of the civil service, because the Board allows, when an official goes out and travels in his own car, 10 cents for the first 1000 miles travelled, 12 cents for the next 3000 and 11 cents thereafter. So that the Mines and Resources average of 12 cents a mile, inclusive of not only the mileage on the car but also the board and lodging paid in respect of the people who travelled as well, is not out of line, actually. I would not like to see the field staff of the department curtailed in the travelling they do. I think they give quite effective service when going around. As a matter of fact, the public thinks there should be more. And whilst I am only too happy to see something worked out by way of keeping travelling expenses down, I am inclined to the view perhaps when we all get into the new building in here, Confederation Building, something can be done by way of pooling travelling. Say tomorrow morning the Director of Agriculture decides to go to Dildo and someone in Welfare and someone in Health. Well, nobody now knows the other man is going and it ends up there are three cars going over when it could easily be one. When the Government is all in one place, things like that might perhaps be worked out.

Premier Smallwood: Mr. Chairman, I would like to add a word to what has been said by the hon. Leader of the Opposition and the minister of Mines and Resources. The government of Canada employs in Newfoundland about 4,500 civil servants, and the government of Newfoundland employs about the same number. We employ about 4,500 civil servants in the provincial service, not counting teachers, which we don't employ. Now, of these 4,500 civil servants (and that is not counting thousands of men who are employed on a purely seasonal basis by the department of Highways and also by the department of Public Works) on a monthly salary all the year around on a more or less full time basis, not counting thousands of part time employees. Now, of that 4,500 about 500 have to travel in Newfoundland, and if they don't travel the government collapses in Newfoundland — an utter collapse of government. It means that no one in Newfoundland has any government except St. John's. Suppose the magistrates stopped travelling in Newfoundland. The only chance there ever is then of having a case hearing is if the public travelled to the town where the magistrate holds court — if the magistrate stopped travelling. Suppose the welfare officers stopped travelling.

Mr. Hollett: Nobody wants them to stop travelling.

Premier Smallwood: No! But I am answering what the hon. gentleman has said, if the 90 odd welfare officers stopped travelling, then it means that 40,000 or 50,000 or 60,000 or 70,000 people in the dead of winter, who need relief, have to be travelling to get their relief orders. So then, there would be in that regard a collapse, a breakdown of government welfare. The same thing applies if the education supervisors stopped travelling, if the health nurses stopped travelling, public health nurses, if the medical doctors, medical health officers in Newfoundland stopped travelling.

Mr. Duffy: And the cabinet ministers.

Premier Smallwood: The cabinet ministers do the smallest little bit of travelling compared with the 500 civil servants who travel

and carry the government services of Newfoundland out to the people. The Committee, if it stops to reflect a moment, will realize that the only government the people, in the main, ever see, is the occasional civil servant who comes to a settlement travelling in behalf of some government department. I would say there are hundreds of settlements in Newfoundland that never see the government from one end of the year to the other, except on the few occasions when some travelling official of the government arrives there. And, Sir, these people are paying their taxes all the time and the only government they ever see, the only government service they ever see, is when somebody arrives — the very thing the opposition is talking about.

Mr. Duffy: They only hear the government.

Premier Smallwood: They hear but don't see the government. They see the government and see the services the government renders when anyone or more of these 500 agents of the government or employees of the government arrive, whether they be agricultural field men or forestry field men or public health field men or field women, cooperative field workers, geological survey parties — all that is travel. And, Sir, I suggest it is not a very credible way to appeal to the public, for the opposition to come out and talk about all this travelling as though it were just a jaunt, as if these 500 field workers of one kind or another ought to stay in St. John's as though they ought not to travel, they ought not to carry the services of this government out amongst the people. I don't want to use a harsh word, but I do suggest there is something a bit cheap about that argument, a bit cheap about it. The hon. Leader of the Opposition who has spent the vast bulk of his life outside of St. John's indeed he has only been in St. John's the last few years, that hon. gentleman will be the first to recognize that if these 500 civil servants did not travel it would be a disappearance of government for the vast majority of the Newfoundland people. You know that to be true, but cannot resist the temptation to appeal to the general public of Newfoundland on this point. Now, I am prepared to admit that there is some extravagance, that there is some waste in all that travelling. I am prepared to admit that.

Mr. Hollett: That is all — that is the point I raised.

Premier Smallwood: No.

Mr. Hollett: Mr. Chairman, I rise to a Point of Order: The hon. the Premier has put into the words of the Leader of the Opposition things he never expressed, and is trying to get across to the people of the country that that fellow Hollett does not want to see these services of the government, these embassies of the government, disciples of the government — I rise to a Point of Order.

Premier Smallwood: All the hon. gentleman suggested is that it should be cut in half.

Mr. Hollett: I did not name any particular amount.

Premier Smallwood: The hon. gentleman said 50%. That is half in my language. I agree it should be reduced, but not 50%.

Mr. Hollett: Could we have the Hansard?

Premier Smallwood: Now, if we cut by 50% the services this brings to the people — I assure the hon. Leader of the Opposition, if a man wants a piece of land to go farming and sits waiting patiently for the fieldman to come and measure it off or come and inspect, he does not think the civil servants are travelling too much, when he waits for many weeks for that many to arrive there to examine the piece of land.

Now, Sir, I think if I were in opposition and I tabled a question in the house asking any one minister (in this case the minister of Mines and Resources) to table information showing the grand total number of persons who had travelled and how far and what it had cost, I think if I were to table that question I would not do what the Leader of the Opposition would do; if I were in opposition, I would congratulate the minister for the amplitude of the answer, as the Leader of the Opposition did in fact do — he congratulated the minister and said it was the finest answer he had had. But, Sir, if I were in opposition I don't think, poor out harbour man as I am, I don't think as an out harbour man I would complain because the agents and representatives and embassies of

the government did not stay in their office in St. John's, because they did not get out and around and travel around the Island. Indeed, I think I would be attacking the government because these men were not travelling enough. That would be the argument I would put up if I were the Leader of the Opposition. Now, he argued in effect that too many of them are going twice too much, they are going too far — twice too far, they travel too much — twice too much, they spend too much — twice too much; split it all 50%. Now, that is not a good, solid argument.

Mr. Hollett: Not good politics.

Premier Smallwood: The government of Newfoundland, if we don't take it out to the people, the people don't get it. Believe me, I don't get around as much as I would like to, but I do like to see the civil servants get out and meet the people and render what service they can.

Premier Smallwood: They are embassies, agents, employees, spokesmen for the government and for most of the people of Newfoundland. The only government they ever see are these embassies of the government, these agents of the government. I would not use that argument any more.

Mr. Hollett: I am going to use it a lot of times.

Premier Smallwood: And the Opposition Leader will stay the Opposition Leader for the next 25 years.

Mr. Hollett: If I am tempted much more I will go into every individual name on the list and enquire just what the men did for \$102,000.

Premier Smallwood: Why not?

Mr. Hollett: Let us spend the time we are here doing it. One man here spent \$2,078 travelling, for 10 cents a mile.

Premier Smallwood: Why not table a question and get a report of what he did. That should not take long.

Mr. Hollett: I think the minister has given a

very fine answer to the question raised, and that he himself thinks there is too much. We are spending more than we can afford on travelling not only in his department but every other department of government.

Premier Smallwood: One radio quoted the hon. gentleman this morning as having said in this house yesterday that 120 odd employees of this department spent \$400,000 last year.

Mr. Hollett: Perhaps I had better repeat what they did spend. It certainly was not anything like that. I am glad the hon. the Premier made that point because it should be corrected. The amount spent by the 199 in that department was \$119,098.13 — in case that radio wants to put it right; it was roughly \$120,000.

Premier Smallwood: And roughly 200 persons.

Mr. Hollett: Yes.

Premier Smallwood: That was the only government service that the government supplied the people of Newfoundland last year as far as that department was concerned. The only service the government of Newfoundland supplied the people of Newfoundland last year was that \$120,000 of travel that these 200 employees did. That is the only government service we gave them from that department, was it not?

Mr. Hollett: I would be ashamed to admit it.

Premier Smallwood: Now the hon. gentleman is getting wisdom. It should be twice as much.

Mr. Hollett: If that is the only service that gives them what John Jones and Bill Smith give by driving their own car into Happy Valley somewhere, I think the hon. the Premier is underestimating what the government really did. I would like to help him out a little on that.

Mr. Renouf: On that item 805 — Standardization of Marketing, \$51,000 — is that or does that represent as well any federal participation in that provision?

Mr. Keough: Mr. Chairman, yes, that covers two schemes: One is the Federal-Provincial scheme for marketing available to producer groups of agriculture. Warehousing comes under that scheme. The federal government makes available 37.5% and the provincial 37.5% and the organization concerned supply the balance of 25%. There is also a provision anything may be done under the participation of the federal government under the Canada Coldstorage Act which is a provision of assistance for erection of cold storages by groups, companies or individuals on a basis of one third from the federal, one third from the provincial and one third from the group concerned.

Mr. Renouf: Would the minister be able to say whether there has been much availed of in the federal participation under these headings. Has much of the federal been taken up?

Mr. Keough: Under Standardization of Marketing the only thing that comes immediately to my mind: During my tenure as minister of Mines and Resources there was the erection of the cold storage in the Codroy Valley on one third, one third, one third basis. There are two things in prospect for this year; the erection of a vegetable warehouse for the farmer organization at Musgravetown, and the erection of a farmer's vegetable warehouse in the Bonavista area.

Mr. Hollett: Whilst on that, I wonder, Mr. Chairman, would the minister tell us how much was spent on the development of blueberries last year?

Mr. Keough: \$11,200.

Mr. Hollett: Could the minister, while he is on his feet, tell us just what was done in blueberry development? I understand the burning operation has been abandoned.

Mr. Keough: Mr. Chairman, there was approximately 5,000 acres of blueberry ground burned last year in Conception Bay and on the Burin Peninsula. An effort was made to burn some land on the Bonavista Peninsula, but because of unfavourable weather conditions, it was not very success-

ful. There was some work done on the improvement of the trails to blueberry grounds, with foot bridges on these trails. The balance of the money would have been to provide an inspection service. That inspection is carried on out of the department at the plants of packers in the blueberry season when the blueberries are being packed for export. They are exported under licence, and a representative of the department stands by to see they are packed according to standard.

Mr. Hollett: Fur Farming: How much was spent on that, and to what extent was development carried out?

Mr. Keough: Off-hand, the two big items would have been the maintenance of the government's Experimental Ranch at Dildo, which involved feed and replenishment of stocks of mink and also experiments carried on at Dildo on nutrition under the guidance of authorities of McDonald College, McGill University. There is something rather interesting here which the Committee might be interested in: When the mink came to Dildo area first there were about 4,000 breed-female mink in production. The first year was satisfactory — around the national average of three. The next year there was a fall off and the average at Dildo dropped below the national average to about two. The conclusion was that there was something wrong with the feed, so we obtained the services of an internationally known figure in that line. He was able, in time for the next breeding season, to make recommendations to remedy the deficiency in diet with the result that the average for Dildo went back to the national average of three, and this year the production has been better than the national average — up to about three and a half. As a matter of fact one rancher had an average of four this year.

Premier Smallwood: Three point nine.

Mr. Keough: There is something else going on at the moment in the experimental field: further experiments with whales as mink feed, and they are carrying on experiments as to building up the diet with fish offal.

Mr. Hollett: That applies just to the experimental farm?

Premier Smallwood: No, all the ranches of Newfoundland. Newfoundland will probably lead all North America this year in averages. This year in the United States the average is two and a half per brood and in Newfoundland it is about three and a half and going up close to four. We will probably lead all North America this year, which is very encouraging.

Mr. Hollett: What was it the minister of Finance said the other day.

Premier Smallwood: The highest birth rate and the lowest death rate.

Mr. G. Nightingale (St. John's North): Mr. Chairman, I would like to ask about the dumps around the country.

Premier Smallwood: That is a little further on.

Mr. Renouf: Mr. Chairman, I would like an explanation of the Farm Loan Board. Is that only a token vote?

Mr. Keough: Yes.

Premier Smallwood: Just a token vote.

Mr. Keough: The explanation of that, Mr. Chairman, the Farm Loans Board is operated by the department and this is just a token vote.

Mr. Nightingale: In regard to this dumping: Could the minister tell me if there is equipment for proper dumping grounds. Talk about breeding mink, I can tell you rats are breeding twice as fast as mink, and if we don't do something about it we are going to have trouble. I know some extra money is needed, a small tractor and to pick land which is soft and not rocky so that when you put a hole in and put the garbage in it, it can be covered and no rats are going to live there. These things are important. I think the minister of Health agrees these dumping places near settlements are not conducive to the best health and we should have a covered dump, and a law enforced to make them cover over any dump they put in, and

also stop the pollution of rivers, which at the present time is a menace, and all kinds of refuse is thrown into the river. I think the minister should have a little more money so that they can make a hole in these areas to fill in, in the fall, and not leave a place for rats to live.

Premier Smallwood: There is a lot in that. I discovered myself lately that the department of Health operates a service in Newfoundland to combat the rat menace, and men actually travel out from the Health department and undertake a project in areas to do away with rats in those areas. Now, if that sounds funny to anyone let me remind him that in one province of Canada they undertook to get a program to destroy all the rats and they have succeeded. I think the province of Saskatchewan is now completely rat free. I think that Province took it in sections just as in Newfoundland we have taken sections to do away with bovine TB, and we have Newfoundland now free of bovine TB. So, I think it was in Saskatchewan, they divided the Province into sections, and taking it section by section they have now eliminated rats from the whole province of Saskatchewan. Similarly the department of Health sends men out, because I ran into a man out travelling here recently and he told me what his duties were. And, Sir, I was fascinated to know that our department of health is doing that kind of thing.

Now, what the hon. member for St. John's North says is absolutely sound. The minister of Mines and Resources has done good work in Newfoundland by going out and creating public dumps two and three and four miles from a settlement. As you drive around the bay now you will notice signs every here and there "Dumping Ground" and an arrow pointing: — Three Miles, Six Miles, whatever it is. This is a good thing, but as the Member for St. John's North says, in addition to it being a public dump it can quickly become a menace. There does, therefore, seem to be an excellent reason for close liaison between the department of Health (the rat extermination department) and the department of Mines and Resources in its public dump services. The two might collaborate so that we might have the dumps and not the rats. The member for St. John's North has done a fine job in bringing

this to our attention, and I do hope the two ministers get together and discuss dumps and rats and the provision of one and elimination of the other.

Mr. Hollett: Renting of helicopters for Wild Life people: I don't see the point of such a needless expense. It is all very well for the helicopter owners to make a bit of money but what information can a man in a helicopter give us? What good is it?

Premier Smallwood: Does the hon. gentleman, apart from minerals, water power and timber, know any other natural resource in Newfoundland? Partridge, caribou, beavers, moose, rabbits; are not these a prime natural resource? Should we not check and count and see how these things are getting on?

Mr. Hollett: We don't have to have a helicopter.

Premier Smallwood: Exactly that! Exactly that! That is what we have to have!

Mr. Hollett: We will soon be renting helicopters to count mosquitoes in the country. I don't know why it should take \$28,000 for the use of a helicopter for counting the animals.

Premier Smallwood: To get the men who make the surveys back and forth quickly, where the animals are.

Mr. Hollett: What will be accomplished by this operation over the years?

Premier Smallwood: That is the kind of question that may be asked of any kind of research carried on.

Mr. Keough: It was provided last year for the first time. The helicopter down there was used also for other purposes. It is used by Wild Life people to get to inaccessible places where we can't get in any other way, and is used during the fire season where it can be especially useful, and also in forestry work, getting into the more inaccessible strands of timber.

Mr. Hollett: Why charge it to Wild Life?

Mr. Keough: We have to charge it to something.

Premier Smallwood: Most of the work is Wild Life.

Mr. Hollett: How much was spent on Predator Bounties last year?

Mr. Keough: Nothing.

Mr. Hollett: Would not the minister consider that it might be wise if something were paid for the elimination of the numerous red foxes. As we all know, the foxes are destroying all the partridge. I blame these foxes for most of that. I have travelled around the country quite a bit — Some people put out poison. That, again, is terrible. I know people last fall lost their dogs simply because they came across this poisoned meat which somebody was allowed to put out for foxes. I believe some of the people in this department put out poisoned meat to kill the foxes. And, I know some men who were hunting, and lost their dog — And, Sir, the horrible way in which that dog died — if any member of this house had seen it he would jump to his feet and demand that no such poison ever again be put out. Within 20 minutes, the dogs were stiff as concrete. I think something should be done.

Premier Smallwood: I thought it was an instantaneous death.

Mr. Hollett: No! It takes 10 or 15 minutes. And, Sir, I think something should be done to prevent that.

Mr. Keough: That business of putting out meat, poisoned, was, I believe, about two years ago. I think it was in 1956 the department authorized one individual to put out poisoned meats in certain areas. It was supposed to be meat that only carrion birds and animals would take. Anyway, the thing has been discontinued since that time and is certainly not in operation right now. With regard to the suggestion of the hon. Leader of the Opposition in regard to bounties on red foxes. We will have a look at that suggestion. If my memory serves me correctly I don't believe biologists agree that red foxes are responsible for the destruction of the partridge.

Mr. Hollett: May I ask if it is necessary for private individuals to have permission to put out poisoned meats, and if he does so without a permit is he breaking the law? I feel very strongly about this. I have a great liking for dogs, and would hate to see another die.

Mr. Keough: I don't know right now — I will ascertain the facts and pass them along.

Mr. Renouf: "Consumable Supplies" — what is that? Looks like liquor.

Premier Smallwood: No, it is not liquor! On motion department of Mines and Resources carried.

On motion that the Committee rise and report progress, Mr. Speaker, returned to the Chair:

Mr. Clarke: Mr. Speaker, the Committee on Supply have considered the matters to them referred and have asked me to report having passed items of current expenditure under the department of the Attorney General, the department of Mines and Resources Items No. VII and VIII.

On motion report received, Committee ordered to sit again on tomorrow. Hon. the Premier asks leave to introduce a Bill, "An Act to Amend the department of Education Act."

On motion Bill read a first time, ordered read a second time on tomorrow.

On motion of Premier Smallwood, all further Orders of the Day do stand deferred and the house at its rising adjourned until tomorrow, Thursday, at three o'clock.

Thursday, July 2, 1959

(Afternoon Session)

The house met at three o'clock.

Mr. Speaker in the Chair.

Presenting Petitions:

Mr. J. Forsey (Humber East): Mr. Speaker, I rise to present a petition, which is a bit unusual as it refers to a problem exclusive to the city of Corner Brook and that portion of it which belongs to the district which I rep-

resent. It is directed to the department of Municipal Affairs.

Mr. Speaker: It is not directed to the House of Assembly?

Mr. Forsey: To the House of Assembly — I intend to ask that it be directed to the department of Municipal Affairs. This petition signed by 20 odd residents of Veteran's Square and Osmond Avenue in the City of Corner Brook requests that consideration be given to the lack of water and sewerage in the area. These people feel there is a need for that. They have recently been supplied with water but no sewerage facilities. Of course their only means are privies, and they are on a hill, which now means it is a danger to the city and also to the people who live on the lower level. It is a critical need, Mr. Speaker. This is only one part of the City of Corner Brook that has a tremendous need for water and sewerage, not only from the standpoint of a better way of living but from the standpoint of health.

I understand that the department of Health has condemned the area and has questioned the wisdom of the people in moving there. But, Sir, as you know, the Newfoundland people are energetic, and a lot of these people got their land very reasonably and built their houses probably a room at a time. We also have the West Valley area, Mr. Speaker, which has the same problem and even more so, as they are drinking water from wells which have been ruled unfit for human consumption. So, Sir, I support the petition, and move that it be laid on the table of the house and referred to the department to which it relates.

On motion petition received.

Mr. Forsey: Mr. Speaker, I have another petition to present. This petition is on behalf of the people of Humber Heights. It is signed by a little over 100 residents. The prayer of this petition is that the House of Assembly would look into the danger to the health of their children from the unnecessary dust that comes from the cement mill in Corner Brook. Apparently, according to the people, they have contacted their councillors, they have contacted the city authorities and the mayor and they feel that as the great majority of them were domiciled in that area of Corner Brook prior to the

erection of the cement plant, they are now being penalized for it. The odor from the mill itself, likewise does not have a very pleasant effect, and all this, the residents claim, is very injurious to the health of the children and to themselves. Then too, it seems there is a lot of cement dust which is settling on the area and destroying the flower gardens and some of the small crops that many of these residents used to have. I support this petition wholeheartedly, Mr. Speaker, because I do feel that while we should not try to cripple industry, and while we should accept its short-comings, certainly we should make a thorough search to see if industry, and the cement industry particularly — these on the mainland of Canada, have not used modern methods to eliminate this hazard to the residents. I ask that this petition be laid on the table of the house and referred to the department to which it relates.

On motion petition received.

Notice of Questions:

Notice of Questions on tomorrow given by Mr. Hollett:

ORDERS OF THE DAY:

Committee of Ways and Means — (Adjourned Debate on the Budget).

Mr. G. R. Renouf (St. John's South): Mr. Speaker, the best part of this budget speech of 1959 was the delivery of it by the hon. minister of Finance, hon. E. S. Spencer.

Hon. J. R. Smallwood (Premier): The hon. gentleman is not allowed to name names of members.

Mr. Renouf: I thought I said: "The hon. Minister of Finance." The name Mr. Spencer slipped out almost automatically. The name is very close to our eyes these days.

Premier Smallwood: Hearts too.

Mr. Renouf: However, upon close analysis this same budget reveals that this Province is suffering from financial labour pains, and I fear that the future is pregnant with consid-

erable trouble. This fact is concealed by a very clearly written success story: "The Best Ten Years Yet," a success story after the style of Horatio Alger — from rags to riches. The only difference in this success story is that the hero, the government, has gained success not through careful management of its inheritance but rather through a prodigal spending with no thought for the future. The moral of this 10 year story of success is not a good one. In point of length of time of delivery, the hon. minister shares with the Chancellor of the Exchequer of Britain, Mr. Amery, who, at one time, brought down his budget in a two-hour session. The report read at that time in the last half hour he turned deathly pale and was obviously unwell. Such a symptom did not develop in our minister of Finance, because he continued on right lustily. But, Sir, the only difference between the accomplishment of the British Chancellor of the Exchequer and our minister of Finance was that after these two hours the Chancellor of the Exchequer was able to offer —

Premier Smallwood: A very powerful argument.

Mr. Renouf: There is a kick to that — the only difference between the two ministers was that the Chancellor of the Exchequer was able to offer to the harried people of Great Britain a reduction in their individual taxes of nine pence, two of which applied to beer; which enabled the poor people to celebrate their relief in an appropriate manner. According to the commentators at the time, the good people of Britain wept for joy at the slight lift in the burdensome taxes which applied there for so many years. Here in Newfoundland we have cause to weep for another reason: Our finances are not only failing to relieve the burden of taxes and the burdensome cost of living in this country, but impose yet another burden upon us by the announcement of the intended borrowing of \$10,000,778, which, added to the many millions already borrowed, imposes a very severe strain in the annual charges of interest which must necessarily follow upon the borrowing. This budget of 1959, however, Mr. Speaker, was a very readable budget and was very well delivered. For that I must sincerely con-

gratulate the minister of Finance. It was not a dry budget in the sense of containing too much up-to-date information or statistics. Of course, Sir, what it lacked in statistics it made up for in words — many words — windy words. This of course, is a natural pattern of this government, and propaganda today is a natural pattern in trade as well. Now, Sir, budget time is not the happiest time for this government; the calm time of reckoning is not their meat. The time for accounting is not very exciting for a government. They do not measure up, as they would like to see themselves as the idols of the uncritical public, and the object of inspired flattery. There was a conspicuous lack of fanfare in the presentation of this budget. There was none of the buildup, none of the ballyhoo, none of the headlines. I think the government would much prefer to have this budget presented in the form of a quiet little sermon.

Now, in such a lengthy document where is the message for the Newfoundland people? There surely must be a message. This government does nothing without a purpose. How can we discover this message? It is not clearly written down. It is not clearly spelled out. How then can we interpret these 18 introductory pages of this budget? We must do that, of course, because the budget is an important document. It is supposed to be the chart by which the "Ship of State" is guided. In other words, if we can understand the budget, we can understand the mind of the government. That reminds me: There is a little story relating to Carbonear (with due reference to the hon. member for Carbonear) where a group of unmarried young fellows and girls had a picnic in Carbonear, and went up to a man who was reputed to be a good fortune teller. They all dropped in, and some of the crowd had their fortune told. A young lady preceded me, and I met her in the door as she came out. She was in a very short time. The fortune teller said to her: "I am sorry, there is no good trying to tell your fortune — you are blind as a blinking bat."

I don't know if the same applied to the government, but it is very difficult to discern what the object is in this long recital of the introductory part of this budget. The mass presentation of the figures, in millions, over the past 10 years must surely have some significance, and the incredible — the vast

federal payments for this province — when the figures do not seem large enough, the two departments headed are added up together, and if that is not large enough, three are added together. If that impression is not vivid enough they are repeated again in a succeeding paragraph. Surely the public may forget that these millions have been spent, or perhaps they may believe that the government still possess them.

However, yet another speculation is imposed in our effort to understand this array of dazzling accomplishments. Is it possible that the Liberal government is getting ready to ride the same horse of Confederation benefits in a not too distant election in the future. If so they should make up their minds whether the election is going to be in the guise of a provincial one or a federal one, and not a Dr. Jekyll and Mr. Hyde, as in the past.

To speculate still further on this massive array of Confederation benefits, and the equally massive array of provincial spending in millions, could this catalogue of figures and benefits mean that the government is anxious to apply an antidote to an alarming disease of anti-Confederation spreading throughout this country at the present time? Is the government afraid, as the architects of Confederation, that the structure may be somewhat disintegrating, or are they afraid the cult of nationalism and autonomy may spread as a result of some of the violent words of recent times, or perhaps a wish to assure us Ottawa is not after all declaring war on this Province, or perhaps they are anxious to repudiate a statement of the hon. (the present federal member for Bonavista-Trinity, Mr. Pickersgill) when he said that Newfoundland could not afford to be in opposition. Perhaps, Sir, they wish to say that such was a very wicked and bad heresy indeed.

I must not weary you, however, Mr. Speaker, with any further speculation on this lengthy introduction but must try and get down to the meat of this budget. Permit me, Mr. Speaker, to tabulate some of the vital points of this budget, with emphasis as follows:

- (a) There is no indication or very little indication of any new sources of production for wealth.
- (b) There is no survey of the weakness of our economy.

(c) There is no plan or policy to reduce critical unemployment.

(d) No policy or plan whereby we might reduce the enormous loss of wealth to this province through our inability at the present time to feed ourselves.

(e) There is no policy nor advice to the people of this country to promote habits of thrift and saving.

(f) There is no policy of enlightenment for the people on the full scope of federal-provincial Confederation partnership other than on undue basis towards social welfare benefits.

(g) There is no assurance that unbridled borrowing is not the accepted and adopted policy of this Government.

And, finally, Sir, there is no assurance, or even a suggestion of the government cutting down the unnecessary extravagance in maintaining superfluous government boards and commissions and bodies and the like.

Sir, this list is by no means a complete one. But the real shocking news in this budget is the decision of the government to borrow another nearly \$11 million. I thoroughly agree with my colleagues the Hon. Leader of the Opposition and the hon. member for St. John's Centre when they vigorously attack this dangerous trend of borrowing — borrowing to such an extent where interest charges are mounting up to an alarming degree; where such interest alone will become a burden on the Treasury of this province. Now, this latest expediency, and I can call it nothing else, may result from several reasons: It is either reckless disregard of consequences to come, or the not less irresponsible attitude where they feel they will not be responsible for the clearing up of the mess in the future. I fear it is rather too much to expect of a government, with a record of spending such as this one, that they will be able to set aside any reserve within the next few years, between now and 1962.

This latest borrowing will commit in advance a very great portion of the annual amount under Term 29, under the Atlantic Provinces Grants, under tax-sharing monies. These, including Term 29 and the ones just mentioned, amount, I should say presently, to \$15 million, and they will go up in payments to this province between now and 1962 when they will amount to \$17

million coming into this province. We are thus led to the inevitable conclusion that, no matter how much money this government receives, their appetite is insatiable, and that they will overspend no matter how much money they receive. Mr. Speaker, before concluding these general comments on the budget I wish to make a few observations on the headings of the various departments as dealt with by the minister of Finance:

Education It is rather surprising that in the \$83 million that have been spent on education since Confederation, comparatively little emphasis has been given to vocational training. In spite of the millions we have spent, we see no sign of an adequate vocational college or school. This situation is surely a very great weakness in the policy of the government and is a matter to be seriously deplored. It is also difficult to understand this lack of government initiative in this direction because, as is well-known, the government in Ottawa contributes half the cost of the operating of vocational education in this country. It may also not be widely known that a federal-provincial agreement exists between the government at Ottawa and the government here whereby the government of Ottawa contributes or could contribute or will contribute three quarters of a million dollars toward the building of a trade school or vocational college. Nothing has been done to implement these facilities in this agreement, to my knowledge. And the worst of it is, I believe, a fact that the terms or length of time for the agreement is running out, and unless something is done to avail of that federal help, we may never have a vocational school or trade school in the foreseeable future in this country.

It cannot be denied that this country is in need of a greater number of skilled workmen. The monument to Confederation on Gooseberry Lane is being built by imported bricklayers, for lack of local men. Other examples of lack of skilled men point up the great urgency for an undertaking of this nature, greater emphasis on vocational and trade education. Now, this very topic, in general, was discussed with the principals of the Iron Ore Company of Canada. They already, I am glad to hear, are operating in a very active way in the Carol Lake area of Labrador, and as they say themselves, they will increase the tempo of operation emp-

loying extra Newfoundlanders. Surely we have to use every effort to see the supply of skilled men for their heavy equipment and machines will not come from other parts of Canada, rather than from this province. Then too, this age of road development calls for a great number of skilled men for the great machines — machine operators and repair men and other things of that kind. Then too, the increased number of federal ships supplied by the government of Ottawa for this province will require diesel engineers and other qualified personnel to operate them. There are too, a vast number of federal engineering projects within this country which all call for qualified men who will be badly needed to take on these important rolls in the future.

Now, we do welcome an aggressive policy for the expansion of the education of our people, and we note with satisfaction and share the satisfaction that our teachers have received an increase in their salaries. We consider it our duty however, to point out that an educational policy must be a balanced one. That very point was made by my colleague, the hon. Leader of the Opposition, in his remarks. A policy should be realistically designed to suit the needs of all classes of our people. Provisions, of course, for the study of labour philosophy, we hope, will find a place somewhere in the design of things, so that a sound approach on all our problems, affecting both the state and labour and capital, will develop and result in harmony for all concerned.

Public Welfare: Mr. Speaker, I am not too sure that the spending of \$93 million on Public Welfare since Confederation can be classed as a great mark of progress, as alleged by the minister of Finance. In fact, the spending of large sums, particularly on unemployment, shows up, in relief, the very great weakness in our economic life and a weakness which points up the danger of the government's unbridled policy of borrowing. This figure of \$93 million becomes all the more alarming when, as the minister claims, it does not include the vast millions that have been paid in this Province by the government of Ottawa: \$30 million per year from Ottawa to Newfoundland.

Resources: The government's development of our resources, Mr. Speaker, shows

that new wealth can be created. This is perhaps the best hope for our financial stability. In natural resources I would include power development, mining, pulpwood, fisheries and agriculture.

In the fisheries we know that there are several very extravagant overhead posts, particularly this one — the Fishery Authority, which has been amplified by my colleague, the member for St. John's Centre, (Mr. Duffy): The need for this Fishery Authority as was pointed out, and as I may reiterate, no longer exists. We note also the lack of facilities for small individual fishermen who may need to borrow small sums for the operation of their business. That point too has been stressed by the hon. Leader of the Opposition. In my opinion, machinery should be set up to look after just such a man who needs varying small amounts, say, up to \$200.

Now, the BRINCO Water Power Development at Bay d'Espoir should be a matter of growing interest to this Province. We were rather surprised to learn the other day that the cabinet had not yet studied this important matter. Ottawa, of course, in this case, has offered substantial long term financial loans for the erection of electric transmission lines in this area. We hope that the Ottawa offer will be promptly accepted by the Government here.

Highways: In this review of government headings, Mr. Speaker, I come to Highways: I realize that I am dealing in a very brief, superficial way with all these important matters, but the length of time would be very great to deal with them as one would wish. It is encouraging to learn that the government is, in its old age, at last following the wise views of the Conservative opposition to put the development of highroads higher on their agenda. To spend millions on road construction is the easiest part, however, of such a program: the efficient expenditure of these millions is really the important thing. We must have no roads leading from nowhere to nowhere. Strict supervision of the work must be rigidly followed so that we will receive full value for every dollar spent.

I realize that I have omitted several departments dealt with in the budget, Mr. Speaker, but I feel that I have my own colleague, the member for St. John's East, (Mr.

Higgins) yet to follow, and he will pick up any threads which I let drop, apart from his own contribution to this debate.

Mr. Speaker, although several pages of the budget are devoted to Term 29, I think it is premature to talk about this matter in view of the fact that the legislation relating to it has not yet been enacted. We can rest assured that the leaders of both our governments, by their common sense, will come to a reasonable solution. It is, however, interesting to recall how Newfoundland in the course of her history has had experiences of this sort from time to time. You will remember, Mr. Speaker, and so will hon. members of the house, how hot and bothered we got when the Parliament of Britain interpreted a certain clause in a way which was not to our liking: that responsible government would be restored to this country when it became self-supporting, and at the request of the people — when the time came the Parliament of Britain saw many interpretations and meanings to that clause. It was finally decided that the request of the people should be ascertained by a National Convention. This led to the inclusion of Confederation as a means of transition to responsible government and led to the eventual act of Confederation.

I leave it to my listeners to appraise the wisdom of this Act on the part of the British Statesman. We yelled the word "betrayal" at that time, but history will record that any narrow implementation of these terms might have denied us the benefits and blessings of Confederation and might have denied us something still more — the leadership of this government by the hon. present leader. So, Mr. Speaker, I must now conclude my remarks by a brief comment on the 10 years of Confederation in relation to this Government's participation in this decade.

I fear my commentary will be inadequate as compared to the competent one set forth by the hon. minister, but the hon. minister concluded his speech by the pious remark — "May the next 10 years be even more glorious for all our people than the 10 remarkable years that have passed." That hope, I must admit is shared by all of us, but the realization will call for a serious re-appraisal of our rights and our responsibilities as a partner in the great nation of Canada. We must develop a well-balanced

philosophy for a dual loyalty, and, as in all partnerships, we must have tolerance and moderation. This imposes a dire responsibility upon the government of Newfoundland. In the hands of an able leader, too much emotion can lead to misguided patriotism. I trust our leaders will prove to be statesmen and all that such a word implies. Personally I look forward to the day when, in the future, a native of Newfoundland will become Prime Minister of Canada — and that surely will be Canada's finest hour. (Applause from both sides of the house)

Hon. J. R. Smallwood (Premier): Mr. Speaker, before I proceed with the remarks I have to make, I should like, on behalf of all the members of the house, to express a word of cordial welcome to the President of the Canadian Bar Association who is present with us in the chamber today. Mr. Owen, by virtue of the fact that he is the President of the Canadian Bar Association, is, I think, one of the most distinguished Canadian citizens ever to come inside the bar of the house — and he is very, very welcome here.

Now, Sir, I had not intended to participate in this present debate and I would not have done so but for the startling news that I heard on the radio the night before last, and read in the newspapers this morning and again this afternoon, quoting the hon. member for St. John's Centre (Mr. Duffy) as having said in this house that Newfoundland is insolvent. All of the radio news broadcasts on Thursday night, all of them without exception, i.e. CJON at six o'clock and again at six twenty-five and again on TV at six thirty or whenever it was, and again at seven-thirty, on all their bulletins that night, as their editorial of Tuesday night, all of Tuesday night in all of their news broadcasts — "Newfoundland is insolvent," says Mr. Duffy — or — "Mr. Duffy asserted in the House today" — or — "Mr. Duffy announced in the House today — 'Newfoundland is insolvent.'"

Mr. Duffy: In its cash position.

Premier Smallwood: I don't know how you can be insolvent except in your cash, other than in your cash position — and I think these are utterly unnecessary words to add unless he wants to differentiate between the

financial position and moral character. A man, may be morally bankrupt. But when anyone says Newfoundland is insolvent, I think it is understood by all, certainly by every newspaper across Canada that quoted yesterday — every newspaper in Canada quoted the hon. gentleman to the effect that Newfoundland is insolvent, and certainly would have understood he meant by that that Newfoundland is financially insolvent. That was Tuesday night. Yesterday across Canada and this morning in the Daily News headlines appeared — "Duffy says 'NEWFOUNDLAND IS INSOLVENT'". Then it quotes the hon. gentleman, in quotation marks: "The one stark fact that cannot be covered up is that the government is insolvent in its cash position to the tune of \$10,750,000". Thus spoke Mr. Duffy, P.C. member for St. John's Centre. Now in the Evening Telegram the word insolvent is not put into the headlines. The headline says: "Government Short \$10.75 million — Time to Take Stock Says Duffy." — But then the story begins with a quotation, an alleged quotation from the hon. gentleman, as follows: "Out of a morass of words and figures the one stark which emerged from the budget was that the government is insolvent." That is the end of the quotation. It then goes on to say that this is a quotation from A.M. Duffy, P.C. Member, St. John's Centre.

Now, Sir, I suggest, I might take this facetiously and say: The hon. Leader of the Opposition ought to order a gag or muzzle or issue an order that the hon. gentleman never again, as long as he sits in the house, be allowed to open his mouth on financial matters. That is one way to deal with it. Another way to deal with it is to bring in a motion here and have the hon. gentleman censured for a completely inexcusable statement, completely inexcusable. Mark Twain said: "A lie can get half way around the earth while truth is putting on its boots to chase it."

Sir, When I remember the proper definition of a lie I must say at once that when the hon. gentleman from St. John's Centre said was not a lie. A lie is something that is said for the purpose of deceiving. He did not say anything for the purpose of deceiving. He was himself deceived. He apparently does not know what a deficit is. He does not know what insolvency is. He does not know and

therefore he was not lying, therefore this story of his that has gone half way around the world — the truth will never catch up with. Never! Never! Newspapers are not in the habit of putting what I say this afternoon in headlines when said in reply to a catchy headline such as "Duffy says Newfoundland is insolvent" — that gets the headlines, and if that was what the hon. gentleman was seeking he succeeded well. It got the headlines: "Newfoundland is insolvent." Nothing I can say will get the headlines this afternoon. Nothing! So he succeeded and I will fail and Newfoundland will lose by that. The hon. gentleman will gain, but he does not gain when Newfoundland loses.

Mr. Duffy: May I? I would like to point out, Mr. Speaker, that the hon. gentleman (meaning myself) has no desire, no intention, no inclination and no purpose whatever in, as the Premier said, gaining anything here. I personally have no intention to say anything for personal gain. I am stating what I think.

Premier Smallwood: The hon. gentleman is now making a speech.

Mr. Duffy: I am answering an accusation made.

Premier Smallwood: Is this a point of order, Mr. Speaker? Do I have to wait? The hon. member did not rise to a point of order.

Mr. Speaker: No! The hon. the Premier yielded.

Premier Smallwood: Not to make a speech. Thinking the hon. gentleman was to make a point or order.

Mr. Speaker: The Premier did not have to yield.

Mr. Duffy: I do not want to be accused of things not true.

Premier Smallwood: Mr. Speaker, if a man worked at Bowring Brothers and he made \$200 a month salary, and he has a wife and some children, and he rented a house or owns one — let us assume he owns one, if he

feeds his family and clothes them, pays his church dues and lodge dues and his union dues if he is in a union, and pays for the recreation the family enjoys, whatever that may be, pays school fees and buys school books for his children, pays all his bills, all of his bills month in and month out, year in and year out, and he owes no money, or, if he owes money he is paying it promptly according to the bargain, i.e. the interest on it, and if he has to reduce the principal he reduces it promptly and on time — is that man insolvent? If the hon. member himself, who is a business man I understand, and a successful business man; if he operates a shop — perhaps he does not want me to apply it to him — well if any hon. gentleman in this house has a shop on Water Street and has certain expenses, rent, electricity, insurance, help, raw materials, purchase of stocks, all of his expenses are X amount and he takes in that amount and his books balance, including his own salary, assuming he takes a salary out of the business, is he insolvent? What is insolvency?

Mr. Duffy: Inability to pay one's debts.

Premier Smallwood: Has Newfoundland reached the point where she is unable to pay her debts?

Mr. Duffy: Heading that way.

Premier Smallwood: Said the hon. gentleman: "Newfoundland is insolvent" and everyone in this chamber heard. "Newfoundland is insolvent."

Mr. Duffy: In its cash position.

Premier Smallwood: Newfoundland is a long, long way from being insolvent. Now the headlines in the Evening Telegram had the Newfoundland Government short \$10.75 million. While not accurate, that is much more accurate than a headline quoting the statement of the hon. gentleman — "Newfoundland is insolvent" — Newfoundland is spending this year something of the order of \$80 million, \$80 millions, and we have all of that in hand except for about \$10 million. And what is that \$10 million? It is \$10 millions of an amount of \$20 millions which we propose to spend this year, which we don't have to spend but we propose to

spend to build new roads, to build new schools, additional schools and roads that we have not got now. Now if we were short \$10 million to pay the cost of the operating of or maintaining the schools we have and the roads we have and the hospitals we have, if we were short of enough revenue to pay the running cost of the government, we would be insolvent.

Mr. Hollett: May I interrupt the hon. the Premier? I would like to point out that the budget says there was \$6.5 millions cut off current account expenditure.

Premier Smallwood: I am aware of the fact. Surely the hon. gentleman does not misunderstand that as well?

Mr. Hollett: Yes, as well!

Premier Smallwood: The minister of Finance said that, when the various ministers not the government — I see the hon. gentleman is quoted here in one of the newspapers today as having said the government said it lopped off \$6 million of what it had budgeted for. The budget does not say that.

Mr. Duffy: I did not say that, exactly.

Premier Smallwood: That is what the hon. gentleman was quoted as saying and evidently what the hon. Leader of the opposition thinks, according to the question he just asked. That is what he evidently thinks.

Mr. Hollett: Not what he thinks.

Premier Smallwood: I accept the hon. gentleman's word. Let us read what the minister of Finance said. I will summarize it. I do not know where to find it without taking time to do it. He said that when the government received the tentative estimates, the draft estimates from the various ministers, they had asked for \$6 million more than the government was prepared to give them.

Mr. Hollett: Did not have to give them?

Premier Smallwood: The minister said they could spend the money if the government were willing to give it. The government was not willing to give it for that pur-

pose. What did the government do? The government said, we will lop it off, some of the current account expenditure to accumulate \$4 millions to go towards capital expenditure. That is set forth, as plainly as the English language can make it, in the budget speech. Now, the government has to operate itself, to maintain itself, to carry on the public services; so much for hospitals, which must continue to operate, to employ doctors and nurses and buy food and all the other expenses of the whole hospital system. We have that to do. The same thing applies to schools. We have \$13 or \$14 million to spend to operate the schools we have. And so it goes, right through the whole public services. When talking about the \$70-odd million, we have that money, and in addition to that we have \$4 million over and above that, \$4 million more than enough to carry on, \$4 million more — not \$4 millions short — \$4 millions over the amount needed. The surplus is \$4 millions, \$4 million.

Now what do we do? Do we take the \$4 million and put it in the bank and leave it there and draw interest on it? No! We put \$16 millions with it making a total of \$20 million and we decide to spend the \$20 millions on things for the benefit of our people, or things over and above the cost of running the government, i.e., to build new roads. The \$70 million will take care of the roads we have.

Mr. Duffy: It is part of running the government.

Premier Smallwood: It is no such thing as part of running the government. The hon. gentleman knows it. He has searched around in his mind those last five minutes to find a phrase to cover up. If the gentleman who works at Bowrings and gets \$200 a month, pays all his bills, pays insurance on his house and for water rates and city taxes and he kept the house in good condition, painted up and the ordinary repairs have been made on it, and he pays school fees and buys books and clothes his children and buys food for his family and kept his life insurance paid up and his lodge dues and church dues and a bit for recreation, if he does all that and does not go in the hole he is not insolvent.

Mr. Duffy: The government gets the necessary capital expenditure that is insolvent.

Premier Smallwood: The hon. gentleman has done the damage and can't take it back. I am going to expose him this afternoon — that is what I am going to do.

Mr. Duffy: You can try.

Premier Smallwood: I am making a hard try.

Mr. Speaker: I must say these interruptions are out of order.

Premier Smallwood: I don't mind interruptions, Mr. Speaker. This same citizen, working at Bowings, decided after talking it over with his wife and maybe the older members of the family, to improve his house, and instead of having a half basement have a full basement in it, and he proceeds to build a full basement for his family is growing, or one of his children perhaps decided to get married and he wanted the newly married people to live in his home with him. He decided to build a new story on the house. And he goes and borrows the money to do it. He borrows the money to enlarge his house, to make it bigger. Now, is he insolvent because he wanted to enlarge his house and his regular monthly income or weekly income does not allow him to do it. All that allows him to do is to keep on an even keel and stay solvent, but it does not allow him to enlarge his house. Is he insolvent? — He can do without enlarging his house.

Mr. Duffy: There is no parallel.

Mr. Smallwood: Oh yes, and I can give you 20 others, all equally valid. He goes and borrows money with which to enlarge the house.

Mr. Hollett: He pays it back. In this case the people pay it back.

Premier Smallwood: That is a very deep and profound observation. We are talking about the people's finances now.

Mr. Hollett: You are talking about John Jones.

Premier Smallwood: He goes and borrows money with which to enlarge his home, and the money that he borrows will cost him interest. Now, if he reaches the point of having borrowed the money, and built the extension to the house, where he cannot pay the interest, then he is insolvent because the interest becomes part of the ordinary account, his current account expenses. But if he can, out of his regular income, his current account, his salary, if out of his income he can pay all his regular expenses of running his house, and also the capital cost of enlarging the house, he is solvent although he had to borrow the money to provide the capital to enlarge his house. The hon. gentleman cannot get out of that by only smiling — he cannot get out of it.

Mr. Duffy: Not talking about parallel cases at all.

Premier Smallwood: No! The hon. gentleman says not! I will give him another case: The Newfoundland Light and Power Company, one of the wealthiest companies in Canada, relatively speaking; the Newfoundland Light and Power Company five or six or seven or eight years ago, when the war ended, had certain property here in Newfoundland. They had transmission lines, certain power stations and substations and certain dams and water works, worth a certain amount and they had a certain income. They wanted to enlarge that property greatly; they did not have the money with which to do it. Oh, they were solvent, they were solvent. So they went out and borrowed, since the war, \$15.25 million — that is the Newfoundland Light and Power Company, well-known in Newfoundland who, since the war, this last war, here in Newfoundland have enlarged their property but did not have the money to do it with, out of current account. Their current income paid all current expenses. They did better than pay their current expenses. They did better. They made a profit each year out of their current account. They took in more than they were spending. They were more than solvent. They paid dividends. But they wanted to enlarge, to extend, as this government wants to build additional roads, additional schools and additional hospitals. And so also the Newfoundland Light and Power Company wanted to

build additional power houses, additional transmission lines, and they borrowed \$15.25 million to do it. Are they bankrupt? Are they insolvent? If the hon. member for St. John's Centre had been describing the position of that company, if the President of the Newfoundland Light and Power Company had made a speech to the shareholders, which is what the minister of Finance did here the other day, made a speech to the shareholders, the people of Newfoundland — if the President of the Newfoundland Light and Power Company in a speech 10 years ago had come out and said our income last year was so much, our expenses last year were so much, and now this year it will be so much for income and so much for expenses, but we want to enlarge our company, we want to build new power houses and new transmission lines, and so we propose to borrow \$15.25 million — then the member for St. John's Centre would have said the Newfoundland Light and Power Company was insolvent.

Mr. Duffy: Not at all. The potential capacity to repay is what I said.

Premier Smallwood: The hon. gentleman cannot renege today but the headline is there.

Mr. Duffy: I am not concerned with the newspapers but with the speech I made.

Premier Smallwood: We have to think of the credit of Newfoundland, of Newfoundland's good name — and there is the headline — there is the headline.

Mr. Duffy: I did not write the headline. I wrote a speech. They wrote what I said.

Premier Smallwood: The hon. gentleman wrote a speech.

Mr. Duffy: Here it is.

Premier Smallwood: The hon. gentleman said here in the house yesterday that Newfoundland is insolvent.

Mr. Duffy: Stick to the point now, I said a minute ago —

Premier Smallwood: The hon. gentleman

said yesterday — "Newfoundland is insolvent." The government is insolvent to the amount of ten million point something in its cash position.

Mr. Duffy: Exactly.

Premier Smallwood: Would he not have been forced to say 10 years ago, when the President of the Newfoundland Light and Power Company announced that, although they had up to then made a surplus each year, had done that and used the surplus as a means of paying dividends to shareholders, although they had done that they were now going to enlarge.

Mr. Duffy: So they had the capacity to repay.

Premier Smallwood: The hon. gentleman is not saying we cannot repay, is he?

Mr. Duffy: I am saying what you said yourself on many occasions here.

Mr. Speaker: Order! This conversation of "you said" and "you said" is definitely out of order. The pronoun "you" is out of order.

Premier Smallwood: I don't use "you" — I said the hon. gentleman said.

Mr. Duffy: I am prepared to say what I said.

Premier Smallwood: The hon. gentleman spoke yesterday. If the hon. gentleman would sit and listen, he would not need to interrupt today if he had spoken properly yesterday.

Mr. Duffy: I spoke properly and meant it too.

Premier Smallwood: If ten years ago when the President of the Newfoundland Light and Power Company said we have broken even and even made a profit year by year but we are now going to enlarge, build more facilities, and are going to borrow \$15.25 million, the hon. gentleman then would have said the Newfoundland Light and Power Company are insolvent, in their cash position.

Mr. Duffy: Not at all.

Premier Smallwood: I don't believe he would actually. He only reserves that here for the House of Assembly when criticizing the government.

Mr. Duffy: Mr. Speaker, would the hon. the Premier allow me to ask a question?

Premier Smallwood: No. Not after the hon. gentleman's action. That is one thing I always want to do, but not to allow the hon. gentleman to make a speech again explaining the action. It is the speech he made yesterday, not the one he makes today. Since the war ended, United Towns Electric Company, a well-known company here in Newfoundland too, enlarged and expanded, and to expand not just to pay their way, not to give them income to pay their running expenses, but to enlarge, to expand, to extend their facilities, they borrowed \$5,350,000. When they decided to do that, were they insolvent in their cash position? Now, if the Evening Telegram had announced the United Towns Electric Company is short \$5,350,000 it would have been an accurate statement, but if they had said, quoting the hon. gentleman, the United Towns Electric Company are insolvent, it would have been a highly misleading statement, highly misleading.

Mr. Hollett: What was the headline?

Premier Smallwood: The headline was: "Duffy says Newfoundland is insolvent." Will the hon. gentleman deny he said here yesterday in his speech, will he deny he said here for all of us to hear, that Newfoundland today is more in debt than she was when she went broke.

Mr. Duffy: I said nothing yesterday.

Premier Smallwood: Well, the day before yesterday. He did say it here yesterday in this chamber. Yesterday in this chamber is the last day we met. It was yesterday. Will he deny he said that? I challenge him? I am going to give the figures, by the way, this afternoon so that now no one can ever again make that mistake.

Mr. Duffy: You never know.

Premier Smallwood: At least I don't say he

won't say it, but he will know the difference next time. Then again, to add it up, he began first, he stated the direct debt the funded debt, the amount we owe for our bonds we sold. Then he added on to that our contingent liabilities. He began adding in it the amount of money the government lent. Now, this government lent money to various companies, and when he began to give the total of what Newfoundland owed he began adding not what we borrowed, no, but what we had lent.

Mr. Hollett: It was guaranteed.

Premier Smallwood: I said we included the guarantee in the contingent liability. We don't include what we have lent. If I lent the hon. gentleman \$10, as I may do if he asks and I have it, then he owes me — I don't owe him if I lend the money, Newfoundland lent several million dollars to various concerns. We don't put that down as money we owe.

Mr. Duffy: It is a liability.

Premier Smallwood: Money lent is a liability?

Mr. Duffy: What about the money for the Holyrood Rubber Plant?

Premier Smallwood: We don't owe it. It is money we lent, it is gone. The hon. gentleman made the extraordinary statement that Newfoundland today owes more money than when it went broke. The hon. gentleman did not qualify it at all. He said that Newfoundland owed more today than she did when she went broke in 1932.

Mr. Duffy: Liability.

Premier Smallwood: Mr. Speaker, I telegraphed Montreal this morning, indeed I telephoned, and I got back this information. In this present year in which we now are, the year with which this budget speech deals, in this year now the Province of Prince Edward Island is borrowing this year, this current financial year, \$4.5 million; the Province of Nova Scotia, \$22 million; the Province of New Brunswick, \$20 million; the Province of Quebec, \$29 million; and then a branch of the government of Quebec

another \$100 millions, for which the Province of Quebec, of course, is responsible, and yet another agency of the Quebec government, \$25 million. In Ontario the figures have not been made public but they are understood to be \$500 million for this year, this current year. Manitoba is estimated at between \$15 and \$30 millions and Saskatchewan, so far this year, \$33 millions. Alberta does not borrow. Indeed she has been paying off her public debt year by year out of staggering proceeds from her oil leases and other forms of oil income. But, Sir, they have their municipal corporation, they have an organization in that Province which borrows money and lends it to municipalities. They have, so far this year borrowed \$50 millions.

Now, Sir, are all these provinces insolvent in their cash position? According to the hon. members for St. John's Centre they are. They are insolvent in their cash position. I will come to the Federal government. I will come to them, the beloved government of the member for St. John's Centre, the one he loves so dearly.

I ask the question here: Are the provinces of Canada — Prince Edward Island, Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, and Alberta, eight of them — I have not given information on British Columbia — now, these eight provinces are borrowing money this year, and they are borrowing for the same thing we are borrowing it for, the same thing, exactly, the same kind of thing — schools, hospitals, roads, rural electrification, water and sewer systems, and the like. They are borrowing these large sums of money as they did last year and the year before last and as they have done and will do every year for the next 10 and the next 20 years. They have borrowed and they are borrowing this year — what for? For the ordinary running expenses of their governments? No! If they did that they would be insolvent. They are borrowing for the same things we borrow for, to give them more miles of roads than they have, more hospitals and hospital beds than they have, more school classrooms than they have and more of the other facilities without which a country cannot grow. It stands still but does not grow.

Mr. Duffy: Compare their position to repay with ours.

Premier Smallwood: That is not what the hon. gentleman discussed yesterday. That is not what they are quoting. That is not what they heard him say in this chamber yesterday.

Mr. Duffy: Hansard will reveal what I said, if you don't accept the excerpts from what I wrote here.

Premier Smallwood: Exactly what we are discussing: Another large company here in Newfoundland, known as Bowaters — the Bowaters Organization in Newfoundland since last this last war has borrowed \$29 million. They have borrowed, why? Were they insolvent? Is that why they borrowed? Is that why they borrowed it? I ask the hon. gentleman that question. When they borrowed that \$29 million with which to buy additional machinery and install additional facilities, when they needed that money, were they insolvent? Were they insolvent to that extent? Were they insolvent in their cash position? Is insolvency the right word? Is he not wishing that the "devil" had that word, that he had bitten off his tongue rather than use it? Is Bowater insolvent in its cash position to the tune of \$29 million?

Mr. Duffy: I will answer that question when I answer the one I passed, but you won't let me do it.

Premier Smallwood: It is alright to attack the government. It is alright to attack me. I am able to take it. This party is able to take it. And the other side, Sir, is able to hand it out. I give them full marks for that. That is their duty, their duty. But, Sir, it is not their duty to attack the solvency of Newfoundland. That is not their duty. None of the hon. gentlemen on the other side of the house have done it except one. One hon. gentleman has done it, and I believe he did it innocently. I don't believe he knew what he was talking about. I don't believe he understood what he was talking about. He could not have.

Mr. J. D. Higgins (St. John's East): That reminds me of 1953.

Premier Smallwood: Yes! There was another hon. gentleman who sat on the other side, a little removed, all by himself —

a party all to himself. He sat over there and pronounced, seven, eight or nine years ago, that Newfoundland was bankrupt. Newfoundland was insolvent. I know another man who sat on this side and moved across to the other side, eight, or nine years ago because Newfoundland was insolvent. Don't bandy that word about. Don't bandy that word about! Say that the government's financial policies are unsound. That is good opposition criticism. It is not unpatriotic and it is an arguable point. It can be argued that our financial policies are unsound.

Mr. Duffy: Obviously.

Premier Smallwood: Say that — Say that but don't say that Newfoundland is insolvent. Don't say it. Mr. Speaker, the hon. gentleman made yesterday, I suppose, the most extraordinary statement that has been made in this house since Confederation, and that is now a little over 10 years. That is quite a record. It was a most extraordinary statement to be made in this house where many extraordinary statements have been made, quite a record. The statement was that Newfoundland is now more in debt than she was when we went bankrupt. Now, let us take a look at that.

When Newfoundland went bankrupt, Mr. Speaker, (that was in 1932) her public debt was \$101 million direct public debt — Her population was 285,000 people. Can we get our figures correct now? In 1932, when Newfoundland went insolvent, our public debt was \$101 million and her population was 285,000 souls, which meant that on an average, every man, woman and child in Newfoundland, was in debt \$350.00. That was the amount of our direct debt per capita — \$350.00. Today, 1959, our debt is \$59,839,473. Now if I were reporting that on the air I would say fifty-nine and three-quarter millions because if you spell out dollars you forget how many million you say; fifty-nine and three-quarter million and our population is 440,000. The per-capita debt therefore today is, as of this moment (including the \$10 million we have not borrowed yet, including this) — this is more than up to date — it is looking a few months into the future; our per capita debt is \$136.00 per capita. It was then \$350.00 and it is now \$136.00 — that is the per capita

debt. But we are more in debt now than when we went broke, the hon. member said.

Mr. Duffy: What about the contingent liability?

Premier Smallwood: I am coming to the contingent liability and I won't call contingent liability the money people owe us. Now let me go on: The interest, the cost of paying interest on the debt then and now — in 1932 the interest was \$5.2 million a year. That was not sinking fund, that was interest — straight interest on the debt. That was \$18 a year for every man, woman and child in Newfoundland — \$18 a year. Now today our interest is \$2,645,750 — again I would call that two and a half million or \$2.6 million \$18 a head and \$6 a head.

Now we will take the contingent debt. I would propose to eliminate the contingent debt from 1932 and 1959 because they are approximately the same. It is not very realistic to include it anyhow. I will refer to the savings in the Newfoundland Government Savings Bank. We have a bank in Newfoundland, a Savings Bank that was established in 1832. It has been operating successfully ever since. The deposits in it at the moment, from the Newfoundland people, are slightly over \$28 million. These deposits are guaranteed by the general credit of the province. In that very broad sense, the Government of Newfoundland have guaranteed the interest on that debt. They have guaranteed the debt. In other words, anyone who goes to the Newfoundland Savings Bank today and makes a deposit, that deposit, the safety and the actual amount of the cash itself is guaranteed by the Newfoundland Government. So that, for book-keeping purposes and little else, it is usually included in the list of contingent liabilities. It was \$25.5 millions in 1932 and it is \$28 millions now. Let us eliminate it from both years.

What was the contingent liability in 1932? It was \$9.5 million consisting mostly of Bowater's bonds that we had guaranteed in England, the debentures on which Newfoundland had guaranteed both principal and interest; and then also some minor amounts for water companies, the Carbonear, Harbour Grace, Placentia Water Company and other minor amounts that the Newfoundland government had

guaranteed and which were therefore listed amongst our contingent liabilities. So that, Sir, it was \$9.5 million in 1932. It is \$17 millions now. Now I can give the list of the contingent liabilities. If the hon. gentleman opposite want to take it down I will read it slowly enough for them to do that;

Cities and Towns — \$11,010,000 —: These are amounts we have guaranteed in case the others don't pay it. That is what we call contingent liabilities or indirect, very indirect debt. Cities and towns — \$11 million. Now I will tell you how that is made up. The City of St. John's — \$2.5 millions.

Mr. J. D. Higgins: You won't ever have to meet that.

Premier Smallwood: Does the hon. and learned member for St. John's East think the government of Newfoundland will ever have to pay that?

Mr. Higgins: No! I would be ashamed to think so.

Mr. Smallwood: I agree. I could not agree more. The Newfoundland government are guarantors of that \$2.5 million for the city of St. John's, but we don't think we will ever have to pay, or if we do, we know what we will do; we will do the obvious thing of taking over the city and collect the revenues and pay ourselves what the city owes us. Obviously that is what we would do — obviously. But, Sir, we will never have to do that.

Now the City of Corner Brook, for roads and water and sewer systems — \$4.5 millions. So that is \$6.9 million dollars, call it \$7 million. That is, \$7 millions of the \$17 millions is owed by St. John's and Corner Brook.

Then the churches owe \$2 million, and we guarantee the payment for the churches, if the churches don't pay it. I could give the breakdown of that but don't think it would be desirable. So \$2,082,000 the churches owe and we have guaranteed payment if the churches fail to pay. That is in connection with schools. The churches own the schools. The banks have lent money to the churches on our guarantee; I don't think the churches will let us down and I don't think we will ever have to pay that.

Mr. Higgins: Would you take over the churches if they did?

Premier Smallwood: Incidentally, if we did, the hon. and learned member for St. John's East would make a magnificent minister of churches. Now the St. John's Corporation has borrowed \$800,000 which we have guaranteed. We don't think we will ever have to pay that. I am sure we won't ever have to pay that. They are paying us regularly, paying the bank regularly and steadily. I don't think we will ever have to pay that. Then electric companies. — \$1.4 million good substantial profit making companies. We have guaranteed — we have not lent — \$1.4 million.

Now, that is a little over \$15 million of the \$17 millions that is our contingent liability, which we hear so much about and hear spoken of in this house as though it were a millstone around our necks. So \$59.8 millions, including the \$10 million we have not borrowed yet, plus \$17.2 millions (it is really 59 and eighteen) \$77 million, which is now our grand total debt, what we owe ourselves and what others owe but we have guaranteed, our contingent debt; the grand total is \$77 million, as distinct from \$109 or roughly \$110 million, in fact a little over \$110 million in 1932.

Mr. Hollett: What was it in 1949?

Premier Smallwood: Never mind. The hon. gentleman did not discuss 1949 but 1932. Let us answer what the hon. gentleman said. Then, if somebody else raises 1949 I will be happy to answer that as well. First let me answer 1932. Now let us take the two — In 1932, \$110 million, interest, \$5.2 million, 65% of all the revenue of the government of Newfoundland. Now let us get that — the revenue that year was \$8 million and in fact slightly less. It was \$7,974,000. That was the revenue of the government of Newfoundland.

Mr. Hollett: In 1932 — I beg your pardon.

Premier Smallwood: The hon. gentleman should be a little more — it is distracting — I know. I could not agree more — but I am pretending it is not there. The revenue was \$8 million and the interest was \$5.2 million, 65% of all the revenue of the government.

It took 65% to pay the interest on the debt. This year after we have borrowed the \$10 million and brought our debt up to \$59.8 million, it will take 3¼% of our revenue to pay the interest on our debt. Now what the hon. gentleman said was that we are as much in debt now as we were when we went broke. We can see how correct he was. We are \$77 million in debt, including the contingent liability, as against \$110 million. It takes 3¼% of our total revenue to pay the interest, as against 65% of the total revenue in 1932. Does the hon. gentleman still think we are in as bad a position as we were when we went broke?

Mr. Duffy: I did not say that.

Premier Smallwood: Did not say that?

Mr. Duffy: I did not say we were in as bad a position.

Premier Smallwood: No? — "We owe as much money as we did then." — these were the words. Now, Mr. Speaker, in 1932, all the fish and oil and fish products in Newfoundland, when they were exported, had a value of \$6.4 million. Last year it was \$21.8 million — \$6.4 million as against \$21.8 million; that is fish and fish products.

Minerals: In 1932 not quite \$3.5 million (rounding out the figures); \$3.5 million for all the minerals that were exported from Newfoundland. Last year it was \$67 million. In 1932, all the value of our whole pulp and paper industry was \$15.5 million; the whole value of our pulp and paper industry — \$15.5 million. Last year it was \$68 million. Now that the three — just take the three: fisheries, minerals and pulp and paper; the whole export of Newfoundland in 1932 was \$25 million. Last year, the Americans paid out about that much, \$25 million. In the same period last year, the same three produced \$157 million — \$157 million against \$25 million. Now, in 1932 other income of the people amounted to about \$5 million. That was \$30 million, total, for the year. The people of Newfoundland lived on \$30 million. Now, just get the picture in 1932 — the year we went broke.

Mr. Hollett: We had half the population we have now.

Premier Smallwood: I was coming to that, the hon. gentleman need not fear.

Mr. Hollett: And don't forget the value of the dollar then.

Premier Smallwood: Exactly! And it is dollars we are talking about whatever the value is. It is dollars we are talking about. The dollars we are in debt are dollars now and were dollars then. It is still dollars we are talking about. In 1932 the people of Newfoundland had \$30 million to live on, and 100,000 of them were on the dole.

Mr. Hollett: Now you pick the worst year in the history of Newfoundland.

Premier Smallwood: I picked out the year the hon. member referred to, the year we went broke. There were 100,000 of us on dole at six cents a day. We had \$30 million all together for the Newfoundland people to live on, including the dole — the six cents a day; the whole of it was only \$30 million and the interest on our debt was \$5.2 million and the whole revenue of the government was only \$8 million.

Now last year, besides the \$157 million that our people were paid for the fishery and minerals and pulp and paper they produced, they had another \$20 million from the American bases operating in Newfoundland, and more than that. I have put it only at \$20 million. They had at least another \$30 million from Ottawa in social welfare payments, Family Allowances, Old Age Pensions, Unemployment Insurance and so on, \$30 million. And at Gander which was in existence then in 1932 or not quite, Gander was not in existence then and Torbay was not in existence then but the railway was. Now I am taking only the net increase on the railway more than then, and I am taking all of the income from Torbay, Goose Airport, and Gander; that is another \$30 million a year that did not exist in 1932. Then other employment in Newfoundland, under other headings, not hitherto covered: \$30 millions — that is \$267 million to our people last year compared with \$30 million the year we went broke, the year the government went broke. In other words, we have eight to nine times what it was in 1932. I will give an example of this: In 1932 the combined grand total of wages and salaries

in the two great paper industries was \$5 million for the year. The grand total for the year at Grand Falls and Corner Brook last year was \$35 million, seven times as much. This touches very much upon the question upon which the hon. gentleman barely touched, and no more than touched, the question of the capacity to pay of the people today compared with their capacity to pay in 1932. Now, would it not be a fair estimate to say that the people of Newfoundland today are four times — I am not saying six or seven times but four times better off than they were in 1932?

Mr. Hollett: Some people are, but there are a lot that are not.

Premier Smallwood: I said the people — that allows for some. The budget speech itself, I think, said not every family is well off, not every individual has had all problems solved for him by Confederation or anything else, nor, Sir, has Newfoundland solved all her problems? As we solve one a new set arises. That is inevitable in a place growing as fast as Newfoundland is growing. In 1932, the railway carried 450,000 tons of freight; last year it was 1.5 million tons. I think it is fair to say that our people today have at least four times as much walth, four times as much capacity to pay taxes as they had in 1932. I think that would be admitted to be a fair figure.

Mr. Hollett: Yet the taxes are only \$14 million and they were \$8 million in 1932.

Premier Smallwood: Talking about taxes; let us see if we can't keep this thing clear cut. If we allow ourselves to be dragged off into all kinds of cul-de-sacs we will be here until doomsday. All I am doing this afternoon, and the only reason I stood here, is to deal with the suggestion from the hon. member from St. John's Centre that Newfoundland, the government of Newfoundland is insolvent in its cash position, as though it could be insolvent in anything else but its cash position; That is what I am dealing with and I say this:

It costs every man, woman and child in Newfoundland today \$6 to pay the interest on our public debt compared with \$18 in 1932. But, if we are four times better off than when our people were paying \$18 a

head every man, woman, and child, if we are four times better off than they were, not only are we paying in dollars a mere one-third of what they paid to pay the interest on our public debt but we are four times better able to pay even if we were paying four times the \$18 in other words, \$72. If the interest on our public debt today were \$72 for every man, woman and child it would be the same as it was in 1932 when it was \$18. Now there is no getting over that — there is no way around that.

Mr. Hollett: You are only insolvent.

Premier Smallwood: Drop that — the hon. gentleman, up to this moment, had practically and very thoughtfully refrained from ever using that word. He talked about the banks here the other day and asked did not the banks dominate; he amended the situation immediately by adding, all across Canada and all across North America the banks will be found in a dominating position. It is an interesting subject for discussion. That is a far cry from saying Newfoundland is insolvent; from saying that Newfoundland is insolvent to saying that everything is fine is going from one extreme to another. No, everything is not fine.

Mr. Duffy: There is a relationship there.

Premier Smallwood: Does the hon. gentleman now think he has made a magnanimous concession to reason, decency and patriotism when he asks that question? — when he said yesterday that Newfoundland was bankrupt and insolvent. Does he now feel he has come a long way in a patriotic attitude to say if we are not quite insolvent is everything pure and rosy in the garden?

Mr. Duffy: That is what you are trying to say.

Premier Smallwood: I am not. I am merely comparing the actual figures of 1932 with 1959, and I say this: On the same basis of 1932, we could have a debt of \$400 million. If we were no better off than we were in 1932, when we would reach that \$400 million we would be bankrupt — we would be insolvent. But as in fact we are four times better off, and I hold it is nearer six times better off than we were in 1932 — if the

hon. gentleman says that is only inflated dollars, may I remind him the tax rate is in inflated dollars and the interest is paid in the same inflated dollars, so when we talk about dollars we talk about the same dollars. We are not comparing unlike with unlike, but like with like. If the earning power of our people were the same we would have to go to \$400, but as in fact our earning power is four times greater, Newfoundland can have a public debt far in excess of the \$59 millions it has today.

Mr. Duffy: Go up to \$400 million?

Premier Smallwood: I am not suggesting the amount.

Mr. Duffy: That is what was inferred.

Premier Smallwood: I did not infer nor imply; the hon. gentleman might imply — I did not imply. That is the kind of witticism which makes the headlines — the word goes out that the government is insolvent — that makes the headlines.

Mr. Duffy: I just made the speech and not the headlines.

Premier Smallwood: The hon. gentleman provided the material for the headline. He did say that Newfoundland was insolvent in her cash position. I would yield now if the hon. gentleman wishes to correct any false impression. Does he really think the government are insolvent? We have all the money we have budgeted for, all the money we need, plus \$47 million more than we need. We have done that budgeting for all the money we need to carry on our current account and \$4 million more. We are going to take that four and spend it to build new roads and new schools. Does he still say we are insolvent?

Mr. Speaker, I hope no member present, and I am including the hon. and learned gentleman who has gone out, and I wish his colleagues would repeat this to him when they go out for a cup of tea, or I will do so myself if I see him out there — I wish no member of the opposition would ever again misquote me. After all you know, to waylay me in the dark and knock me down and rob me of any few coppers I may have in my possession is not as bad. "He who steals my

purse steals trash. 'Twas mine! 'Tis his! But he who robs me of my good reputation." Now, will the hon. gentlemen please stop, from now on, saying that I said that we would never borrow, that we should not borrow, that borrowing is bad. Will they please stop saying I said that.

Mr. Hollett: I can't guarantee it.

Premier Smallwood: No, when the hon. gentleman's blood gets warmed up, truth gets an awful battering, gets an awful mauling.

Mr. Higgins: That could be actionable, outside the house.

Premier Smallwood: Yes, indeed! The hon. gentleman is misquoting me.

Mr. Duffy: I thought it was in Hansard?

Mr. Smallwood: No matter how far back the hon. gentlemen go, they will not find that reference. What I said was that — and the best evidence of it is here in a Report of the Royal Commission (Somebody purloined it from my desk); the Report of the Royal Commission gives a very careful analysis — the Lord Amulree Royal Commission of 1933 — a very careful analysis of the public debt as it was at that moment, how it had been contracted and in what form and the various purposes for which various loans were raised and the purpose from which the proceeds were devoted. That is very carefully analyzed here. He pointed out that 25% of the public debt up to then had been borrowed to pay deficits on current account. In other words, in the 100 years of Responsible Government the government of Newfoundland had fallen short \$25 million altogether in meeting its operating expenses, and had borrowed to meet it, and the other \$75 millions of the \$100 million was made up for the purpose of the war. We paid the cost of the Newfoundland Regiment in the First World War, and paid their wages and for their equipment, we footed the bill in every respect, and paid them pensions when the war was over, those that were given pensions. The cost of the war came out of the \$75 million, and the cost of the Newfoundland Railway came out of the \$75 million, but one

quarter of the total debt, \$25 million had been borrowed to pay the deficits on ordinary current account, on the ordinary accounts of government from year to year. Now what I said in my speech is this, and if my hon. friends had read it I would not need to detain them here to tell them what I said.

Mr. Duffy: I have said it on two occasions and you have never corrected me before.

Premier Smallwood: I don't suppose there is a day passes when I am not misquoted. And I take a leaf out of the book of a man who sat here or stood here just about where I am, Lord Morris. When he was Premier he said: "Never explain. Your friends don't need it and your enemies won't believe you anyhow." Every day that passes I am misquoted and life is just too short —

Mr. Hollett: You talk too much.

Premier Smallwood: I would have every newspaperman hating my intestines. You are trying to do it — I am trying to point out now that I am misquoted. The hon. gentleman I am referring to now — I don't think he will hate my intestines. I don't very often correct him. I am correcting him now, I never did say — and he can read my speech and he will not see it there. I said that borrowing to meet deficits and borrowing just to create work to take people off the dole — first they borrowed to get money to pay the dole and then borrowed money to pay deficits on current account every year — they borrowed money ostentatiously, on the surface, for capital account expenditure but really just creating work, giving jobs — no other purpose. I said that was what put Newfoundland on the rocks; that is what swamped Newfoundland; that is when we went bankrupt — that kind of borrowing. Then I went on with my point: Borrowing for capital account expenditures to create new roads (not to maintain roads you have) — that you do out of ordinary current account, to build new roads, to build new hospitals, new schools, borrowing for that is perfectly sound. It is what everybody does. It is what individuals do. It is what companies do. It is what provincial governments do and it is what the federal government in Ottawa, and, I may say, their predecessors

do, but that government rather more than the previous one. And if my hon. friend wants to indulge any desire to attack governments for borrowing, and if he wants to allege it is an unsound fiscal policy, he has a rich field in Ottawa, a rich field. He has up there the Canadian government who the other day borrowed or tried to borrow — they announced it was closed. They did not announce it was over-subscribed, only that it was closed; they set out to borrow \$200 million for one year (12 months) which I think they could borrow, five years ago, say, for three-eighths of one percent — well under one percent; they paid over 5.5% and possibly did not sell it all. Now, if that had happened to this government here, the hon. gentleman would be calling public meetings in St. John's.

Mr. Hollett: I would have been too late then.

Premier Smallwood: Calling public meetings to describe the ignominy, the humiliation of Newfoundland and on how bankrupt and insolvent we were, when we hear we are insolvent now, with a surplus of \$4 million on current account. If that makes us insolvent, what would it do if we were in the mess the federal government have gotten themselves into, or have been gotten into by tight money, by bond markets virtually disappearing, by the bond market becoming virtually impossible, on both sides of the border. To be fair, in the United States it is just about the same as it is in Canada. What would he do with us if we were in that kind of a position? Now I like the hon. gentleman. He is one of the members of this house I like personally. But I can never again, I think, as long as I live, have the same feeling towards him. I don't believe I can seriously, sincerely and honestly. That is an atrocious thing he did yesterday, appalling, unbelievable, thoughtless. If he were a drinking man I would say he was drunk. I know he is a sober man and does not drink.

Mr. Duffy: How do you know that?

Premier Smallwood: To my best knowledge and belief the hon. gentleman is a sober man and sober-minded.

Mr. Higgins: Temperate.

Premier Smallwood: Temperate and sober. But it baffles me. It is like the old days in this house which we have not seen here for some years. But in the really old days, from the moment the house met until it rose at six o'clock the opposition did nothing but try to convince the rest of Newfoundland the government was bankrupt, the treasury was empty. Of course, most of the time there was truth in it then — But, Sir, it is a little startling to have a businessman from Water Street come up here yesterday and tell Newfoundland, tell all Canada, tell the world, that we are insolvent — we are going out shortly to float a \$10 million bond issue, do what we have done on other occasions, do what other governments do. When we see the right moment to move into the market, we move in and borrow \$3 or \$4 million and a month later, as the market is temporarily a little better, our advisers tell us now is the moment to step in. There is no one else on the market for the moment. Now is the time to float some bonds. So that shortly we are going in, and the hon. gentleman picks that moment to get up and say something that is false. Although he did not know it was, yet it was a desperate thing, and I hope as long as he lives in this house (and I hope he is here a good many years) that he will never again foul his own nest as he did yesterday.

Mr. Duffy: That is a matter of opinion.

Mr. Speaker: Order! Motion, that I do now leave the Chair for the house to go into Committee of Ways and Means, moved by the minister of Finance, carried.

On motion the house recessed for 10 minutes, after which the Speaker resumed the Chair.

Mr. Speaker: Order! Before recess the motion was passed that the house go into Committee of Ways and Means. On motion Mr. Speaker left the Chair. (Mr. Clarke, Chairman of Committee of Ways and Means)

Premier Smallwood: Mr. Chairman, I move that the Committee rise, report progress and ask leave to sit again. On motion Mr. Speaker resumed the Chair.

Mr. Clarke: Mr. Speaker, the Committee of

Ways and Means considered the matter to them referred and directed me to report progress and ask leave to sit again. On motion report received, Committee ordered to sit again on tomorrow.

Notice of Motion: Hon. the Attorney General asks leave to have a Bill, "An Act Further To Amend The Education Act," reconsidered, that third reading be rescinded and that the Bill be recommitted.

Hon. L. R. Curtis (Attorney General): I asked leave, Mr. Speaker, to have that motion withdrawn from the Order Paper. Agreed, by leave of the house, motion withdrawn.

Mr. Curtis: The hon. the minister for Provincial Affairs asks leave to introduce a Bill, "An Act Further to Amend The St. John's Shop Act." On motion Bill read a first time, ordered read a second time presently by leave.

Mr. Curtis: I would just move the second reading, Mr. Speaker, it is not my intention to make any speech, in fact it is not my intention at the moment to have the house give second reading but have the second reading for the sake of circulating the Bill, and with the kind concurrence of the house, I suggest that the second reading by tomorrow.

Motion that the debate on second reading be adjourned, carried.

LEGISLATION: 3RD. READING:

Third Reading of a Bill, "An Act Relating To Historic Sites And Records." On motion Bill read a third time, ordered passed and title to be as on the Order Paper.

Third Reading of a Bill, "An Act To Amend And Consolidate The Law Respecting the Operation of Saw-mills."

On motion Bill read a third time, ordered passed and title to be as on the Order Paper.

Third Reading of a Bill, "An Act Further To Amend The Summary Jurisdiction Act." On motion Bill read a third time, ordered passed and title to be as on the Order Paper.

Third Reading of a Bill, "An Act To Amend The Conditional Sales Act."

On motion Bill read a third time, ordered passed and title to be as on the Order Paper.

LEGISLATION: 2ND READING:

Second Reading of a Bill, "An Act To Amend The Standard Time (Newfoundland) Act."

Mr. Curtis: Mr. Speaker, the object of this Bill is to extend the operation of Daylight Saving by one month; instead of stopping at the end of September to now extend it to the end of October. In Committee it may be that the government may ask to have a clause put in enabling the Governor-in-Council to change these dates from time to time. I have had representations from a very high source suggesting that perhaps we should not start Daylight Saving quite as early as we do in the year because of backward years. I think it is generally agreed we have not reached Summer yet and it is July. It might be wise to give the Governor-in-Council power to alter these dates if public demand should suggest it is desirable. I move second reading of this Bill, Mr. Speaker. On motion Bill read a second time, ordered referred to the Committee of the Whole on tomorrow.

Second Reading of a Bill, "An Act To Amend The Department of Education Act."

Premier Smallwood: Mr. Speaker, a year or two ago this house unanimously gave recognition to the Pentecostal Assembly of Newfoundland as being a recognized religious denomination for educational purposes and adding them to the number. The number before was four and they became the fifth denomination to be recognized, for educational purposes, in the Education Act. This amendment now is merely to add the Superintendent of Pentecostal Assembly Schools to the Education Council. The Education Council, as the house knows, is made up of the minister of Education and the deputy minister of Education together with the superintendents of Education who represent their respective religious bodies. The Council of Education is therefore in a sense,

in some ways, the supreme educational authority of Newfoundland. As we have recognized the Pentecostal Assembly as a religious denomination for educational purposes and amended the Act with that in mind, now we ask further amendment to add the Pentecostal educational superintendent to the Council of Education.

ESTIMATES:

On motion that the house go into Committee of Supply, Mr. Speaker left the Chair. Mr. Clarke Chairman of Committee of Supply.

DEPARTMENT OF PUBLIC WORKS IX:

Mr. Hollett: Mr. Chairman, I want to congratulate the minister on keeping the estimates down on the same level as last year, in fact he saved the taxpayers \$200.

Hon. J. R. Chalker (Minister of Public Works): On the job all the time, Mr. Chairman.

On motion Department of Public Works carried.

DEPARTMENT OF HEALTH X:

Mr. Hollett: International Grenfell Association I see is reduced. Is it somewhere else? Added on to this one there?

Dr. J. P. McGrath (Minister of Health): Yes, but there is one there that might require an explanation — Notre Dame Bay Memorial Hospital. That has no grant for tuberculosis this year. The explanation is that, first of all, most of the tuberculosis this year. The explanation is that, first of all, most of the tuberculosis patients in this area are now going to Corner Brook Hospital, and secondly, any admitted are going in by special arrangement by the Federal government under the hospital scheme. So that, Sir, there is no loss of revenue to the hospital through the apparent stopping of that grant.

Mr. Hollett: What about the International Grenfell?

Dr. McGrath: They are listed under another heading. There are quite a number of adjustments of these various accounts when the hospital scheme came in force, so that while we had to reduce them in certain grants — take the grant from them, we increase the grant in another place and so even it up. There is not an increase in tuberculosis, no.

Mr. Hollett: I know there is no indication there that there is an increase in the incidence of tuberculosis in this area.

Dr. McGrath: No, there is a reduction there.

Mr. Hollett: Could the minister give us the amount spent on air ambulances last year?

Dr. McGrath: Yes. I think — I cannot give details without reference, in 1957-58 it was \$142,000. That was increased because we are using more expensive type of helicopter. I think that is the larger portion of the expense at the present time, the service of a fixed wing airplane in Newfoundland and the helicopter. I think the increase is due to the helicopter contract, being a different type and much more expensive.

Mr. Hollett: Are they held in readiness at all times?

Dr. McGrath: All the time. We purchase the service instead of the plane. We have the full service of a fixed wing airplane in Newfoundland. That company must have a plane for our service when asked. They must get it even if it means it is necessary to hire it from another company. We purchase so many hours of service during the year, under contract, and guarantee that amount. If it goes above that we pay extra for it. As an actual fact, it always goes over. The advantage to the company is that it is a fixed amount and they can govern expenses by that. It is something slightly less than we expect to use. They then get paid for the extra hours. The same thing applies to the helicopter.

Mr. Hollett: I was wondering what was the increase under Health Laboratory? It is almost double.

Dr. McGrath: The Public Health Laboratory has been shifted into the hospital and, under the hospital insurance scheme, the expenses of the laboratory come in as part of the hospital scheme, the expenses of the laboratory come in as part of the hospital scheme and are paid from there. The difference in cost there is again largely if not entirely re-absorbed and re-imbursed to us now from the hospital insurance scheme. That is the explanation. The increase there is only an apparent increase.

Mr. Hollett: What is the work of the laboratory, generally speaking?

Dr. McGrath: The work of the laboratory consists in doing practically all or most of the tests that are carried on to help in diagnosis of sick persons (apart from x-ray and cardiographs) by blood tests, body fluid and urine tests and tests of tissue removed from human bodies, not only for malignancies like cancer but for various other purposes. They come from all over the province. Another element here is that a hospital, in order to keep its standing as a hospital allowed to have interns etc., has to have facilities for certain routine tests. For instance: Every piece of tissue removed from patients must by routine be examined. That, as you can imagine, can be quite a sizeable piece of work. If it were not done, then our hospital would not get interns, because that is essential — the testing by various means, of body fluids and tissues removed by various operations from the human body. That has meant a readjustment in the manner in which it is paid. It was paid previously out of a different vote. It is now paid directly out of this vote.

Mr. Hollett: There is an amount practically every year for clothing — \$20,000.

Dr. McGrath: The largest element there is the uniforms of the nurses-in-training and orderlies and so on. That is the largest item these are provided.

Mr. Hollett: Every year it takes \$20,000?

Dr. McGrath: There are quite a lot of people you know, when it is considered that a number of the patients have to be issued

pyjamas and things like that. Again, mechanical washing and handling is pretty hard on the clothing.

Mr. Hollett: There is one other item; hardware and crockeryware, \$75,000 each year.

Dr. McGrath: The figure here is \$24,000.

Mr. Hollett: That is only the General hospital you are looking at, but in the other hospitals on the Island.

Dr. McGrath: There is large damage to crockeryware. It is an expendable item. We have been considering getting a cheaper type of crockeryware but the more expensive is supposed to stand up better, and the increase loss in breakage may result in a higher cost. I can only say we are not breaking more than can be avoided. It has led to a contentious discussion between the minister of Supply and myself. The minister of Supply feels that it is an perhaps unduly expensive item, and everyone in my department concerned cannot do with less. I think under institutional conditions you have to expect breakage. They have breakage in hotels and the amount spent in crockeryware is pretty heavy. I don't think we are excessive. It is the normal cost of supplying institutions with this type of thing.

Mr. Hollett: I wonder if the minister would like to give us a word on tuberculosis. We do know the incidence is less, but to what extent?

Dr. McGrath: I have no objection, but this was already done, more or less. Is there any particular point?

Mr. Hollett: I notice the cost at the Sanatorium is less \$10,000.

Dr. McGrath: Well, I would say the explanation there is, unless you close down an institution completely the fact you have empty beds does not greatly reduce the cost. The overhead is the same and the amount of wages and salaries, until the thing reaches the point where you eventually lay off staff and close up the institution, or turn it to other use. There is no doubt whatsoever that the trend downward is continuing, and while nobody knows with any

great exactitude, we have to judge by the death rate, but there is no clear indication as to how many are ill with tuberculosis; but the fact that a number of beds are empty and that situation is increasing — I am not prepared to make a statement on it today — indicates the trend is established and is likely to remain permanent. We are at this moment considering some changes, utilizing these beds for other people. But we have not yet reached the point of full information as we will. We are considering using these beds for types of patients other than tuberculosis. We certainly do not intend to leave any beds vacant for any time. We have to wait a certain time to make sure about the beds being empty. I know we have now reached the point where there are possibly 90 beds vacant in the West Coast Sanatorium and we will be utilizing them in a short time. Surely that is a picture that indicates not merely that the death rate is going down but the actual incidence is less.

Department of Health: Carried.

On motion that Committee rose to report progress and ask leave to sit again. Mr. Speaker resumed the Chair.

Mr. Clarke: Mr. Speaker, the Committee of Supply considered the matters to them referred and have directed me to report having passed estimates of current expenditure under the department of Public Works and the department of Public Health, have made progress and asks leave to sit again.

On motion report received. Committee ordered sit again on tomorrow.

Premier Smallwood: Mr. Speaker, I move the remaining Orders of the Day do stand deferred and that the house at its rising do adjourn until tomorrow, Friday, at three o'clock. May I say, Mr. Speaker, that the progress we are making is such that we might manage to clean up the remaining business outstanding tomorrow or Saturday. If so, we might then, of course, take an adjournment until such time as would seem to be most suitable for prorogation.

On motion all remaining Orders of the Day do stand deferred.

On motion the house at its rising adjourn until tomorrow, Friday at three o'clock.

Friday, July 3, 1959

Afternoon Session

The house met at three o'clock.

Mr. Speaker in the Chair:

ST. JOHN'S SHOPS ACT:

Hon. J. R. Smallwood (Premier): Mr. Speaker, I would like to inform the house that, in response to representations made by very highly placed persons in this province we have decided, when the house goes into Committee of the Whole on the shops closing Bill, "An Act Further to Amend the St. John's Shops Act", to make some changes in the public holidays. The bill will not provide for elimination, as it does in its draft form, as it is now drafted, of the three holidays, St. Patrick's Day, St. George's Day and July 12th.

Now, by not eliminating these three days we would of course be adding that number of public holidays. That is undesirable in view of the fact that we have fixed 52 permanent holidays a year, including every Saturday, for the Civil Service. We are, therefore, proposing to eliminate two that are presently in the draft bill, namely: Easter Monday and Thanksgiving Day. We have no particular regret in eliminating these two days. Not Easter Monday but Easter Sunday is really the significant day. Of course Easter Sunday will continue! As for Thanksgiving Day — I believe it is the desire of the very highly placed persons in this province to have a Sunday each year proclaimed as Thanksgiving Day rather than Monday. The changes, therefore, will be that St. Patrick's Day, St. George's Day and July 12th will be removed from the list but that Easter Monday and Thanksgiving Day will. I hope that these changes will meet with the unanimous approval of the house when we make them in Committee of the Whole.

PRESENTING PETITIONS:

Premier Smallwood: Mr. Speaker, I have pleasure in presenting a petition from five of the most highly respected citizens in the

Town of Grand Falls. These are: Ronald Sullivan, President of the Papermaker's Local Union 88; Arthur A. Kelly, President of the Pulp Sulphite and Papermill Local 63; Jack Scott, President of the Electric Workers Local 512; Donald Murphy, President of the Machinists Local 1906 and Fred G. Lock, President of the Office Employees Local 255. These five men, presidents of the local unions in and around the great paper mill of Grand Falls are, as I say, amongst the most highly respected citizens of Central Newfoundland, and this petition and any petition that they may ever care to send to this house, is and will be received with the greatest possible respect, and more than that, cordiality. They petition this house: "May it please your hon. house, your petitioners are bona fide trade unions established in the Town of Grand Falls" — it ends by saying — "And in duty bound your petitioners will ever pray". What they pray for, what they petition us for, is that we should repeal the amendments that we enacted this year, the amendments that we enacted to the Labour Relations Act.

Now, I may inform the house that I have met with these five union presidents quite recently here in the City of St. John's, and that I was accompanied at that meeting by the minister of Labour and another, who if he desires to do so will tell the house that he was present. I am not at liberty to say that he was present, but if he himself wishes to do so he will. At this meeting we had a very friendly and useful discussion, and they then informed us that they would send this petition to the house. I regret that it has come so late in the session. It is now the 3rd of July and we have just about completed the business of the house, and I frankly do not see my way clear to recommend that we take any action on this petition in this present session. But through you, Mr. Speaker, and through the press and radio, I would like to inform these five unions in Grand Falls, and these five union presidents, that at the next session of the house I will propose to the house some changes and amendments, not the repeal, not the full repeal of the Labour Relations Act Amendments that we brought in and passed early in this session, but some amendments to these amendments, some changes in them.

I propose at the next session of the house to ask the house to do that. I may say that a

comic attempt was made, beginning about two or three months ago, a comic attempt to influence this house by means of post cards. This has turned out to be the most miserable failure of any petition that was ever tried in Newfoundland. Far less than 1000 post cards have been received from all over Newfoundland, far less than 1000 received by all the members of the House of Assembly, on both sides of the house. That was the result of three months activity by this comic outfit. But, when we get a petition like this, from five highly respected and responsible trade unionists, headed by five highly respected, responsible citizens, then I am strongly inclined to bow in their direction and to say: "Yes, we will do all we can to meet their desires" — So that, Sir, at the next session of the house I will propose some changes.

Hon. M. M. Hollett (Leader of the Opposition): Mr. Speaker, I just want to say a few words, to inform the house that I also had a copy of this petition sent to me by these highly respected heads of unions in Grand Falls, men that I know and have known for many years. I feel, Sir, that attention should be given to it by this house, and indeed attention has been given to it by a Committee of this house composed of men from the government side and from the opposition side, prior to the present time.

Personally, and I speak now for myself, I don't believe that there is any particular rush that this legislation should be repealed. I have been watching personally, very carefully, the movements that have been made by various bodies in this country and outside Newfoundland, and I feel that, as a House of Assembly, at any rate, we should not be bamboozled into doing anything. The legislation which is on the books at the present time was put there as an instrument by which the economy of this country could be saved — and I stand by that. It was not put there for any vindictiveness and was not put there by the government and sponsored by this side of the house on account of any vindictiveness towards any union. It was put there to save the economy of this little 10th. province. Therefore, Sir, it behoves us to be very careful about coming to a sudden conclusion we made a mistake and shout: "Wipe it off".

Oh, we offended some people! We did not

offend too many of labour but we offended some — I mean this house offended some labour heads, but you have to do these things at times! I do agree with the hon. the Premier that a second look should be given this with regard to making certain amendments. And, Sir, by the time the next session rolls around it might be possible to remove it completely from the Statute Books. But I say, in my opinion, the government have taken the right attitude when they say, "We must wait awhile and consider it!" I believe too this side of the house will support it if they bring in reasonable amendments. I want these people to realize that this house is put there by the people of Newfoundland and not by any union or heads of unions, and any legislation which is enacted by this house will be in their interest and not against it.

I thoroughly agree with what the hon. the Premier said with regard to certain amendments. I studied that very carefully. It is not anti-union, not at all. All it does is endeavour to make unions and labour heads a little more responsible in connection with the jobs which they hold.

Mr. J. Forsey (Humber East): Mr. Speaker, I rise to support the petition brought in here too; not to at this time indulge in prolonging the work of the house but because I represent a part of Newfoundland probably more actively concerned with the labour situation than any other part of our Island. For the past five weeks, Mr. Speaker, I have been endeavouring — I have met with the two local CLC representatives telling them that there is no animosity in this house (on either side) towards labour; that the deep and tremendous void, the black pit, is being created by the heads of labour. And, Sir, I stated to them that Daley and Thoms were using this to further their political ambitions through labour, that they were sacrificing the rights and privileges of labour to further their own weak and feeble political ambitions. I suggested to them when we met in Corner Brook we would consider whether these men had been the proper, responsible promoters of labour welfare. I told them I knew the Premier was and still is an ardent believer in the rights of labour people.

Now, there are parts of our amendments to the Labour Relations Act which I can see

that they don't agree with, that are a little bit peculiar to locality. I do feel that this house should consider, in the future, giving labour the right to defend any charges that may be laid on them; and I think there is danger in the amendment too unscrupulous employers trying to take advantage and to create a feeling of unrest. But, Sir, I do know that, in the rank and file of labour in the Corner Brook area, there is a feeling of trust in this House of Assembly, not only in this government, I say, but in this House of Assembly; a feeling of trust and of confidence that we are protecting their rights against labour leaders who try to go beyond their job, as much as we are trying to protect their rights in keeping a stable economy. The recent outburst by the Trade and Labour Council in Corner Brook against two gifts of Bowaters and the A.N.D. Company, one to help the City of Corner Brook financially and the other to help in the establishment of the Memorial University, I think, is disgraceful, I think it is disgraceful that labour generally should have at its head people who would try and smear and blacken the good intentions of those who have good intentions at heart.

Mr. Speaker, I welcome this petition, and I have told the labour heads in Corner Brook that I am sure that, forgetting the IWA question — they deserved what happened, they misled our people they had no regard for the economy nor the welfare of this Province, they took a legal strike in one area and created an illegal chaos in another) — more than that they deserve the reprimand they received from this house, and which I am glad I supported. I do feel that, in the amendment we should at all times sit down and listen to labour, whether the delegation be from Grand Falls or Corner Brook — to listen to any reasonable or any sensible suggestions they have to guide us in the legislation we may bring in. I have told the labour leaders in Corner Brook repeatedly that I am sure the Premier and the minister of Labour and the Leader of the Opposition (I included the Leader of the Opposition) would be willing to sit down and debate with them any amendment and any suggestions they have to offer. I am glad this has been brought to this house today; I am glad both the Premier and the Leader of the Opposition have shown their willingness to listen to labour at all times, because the rank and file

are not in support of this mass, hysterical, dangerous policy that is headed up by Daley, Neary and Thoms, men who have no sense of responsibility to the organization, and to the people they represent. On motion petition received for referral to the department to which it relates.

Mr. W. Smallwood (Green Bay): Mr. Speaker, I beg leave to present a petition from the people of Point Leamington. The prayer of the petition, Sir, is that the hydro-power lines from Botwood be extended to the settlement of Point Leamington. Now, Sir, I may say, Point Leamington is one of the largest settlements in Green Bay district. The power line now comes to within a distance, I think, of approximately five miles from Point Leamington. The people of Point Leamington feel, and I think justly, that since the power development has greatly increased the amount of power available and that power lines have been extended eastward from Rattling Brook, that they are justly entitled to have it extended to Point Leamington. Mr. Speaker, I would ask to have an investigation made into this situation to find out the exact number of home owners in Point Leamington so that we can see, as a result, whether or not electricity could be supplied to that settlement at a reasonable rate. I strongly support the prayer of the petition and ask that it be laid on the table of the house for referral to the department to which it relates. On motion petition received.

Hon. P. J. Lewis (Minister without portfolio): Mr. Speaker, I beg leave to present a petition on behalf of many farmers from that section of the South Shore of Conception Bay in the area of Middle Bight. The petitioners pray that Middle Bight Road be constituted a secondary road so that necessary improvements may be carried out thereon. This, Mr. Speaker, is a very important road to the community in question, which has 1000 acres of arable land which is being actively cultivated. It has established on it already 30 families and it is available for expansion for building purposes because building sites along the present highway are rapidly becoming used up.

The road in question serves a class of people

who are amongst the most industrious of any to be found in this province, and it is a pleasure to me at any time, particularly in presenting a petition, to pay tribute to the industry and independence of these people. They are qualified, I think, to claim the designation of farmers in its real sense; because throughout all the years of ups-and-downs in the history of this province, the residents of that area of the South Shore have always managed to eke out an independent living from a most reluctant soil, and any assistance or help that could be given to these people by any government is deserving, and they are always entitled to the unqualified support of the government and members of this house.

The present minister of Highways is a resident in the area, and I know that we will have his sympathy in the prayer of this petition. I would ask, Mr. Speaker, that it be given the endorsement which it deserves. I trust that the hon. minister, in dispensing whatever largess he might have to give during the coming year, will keep in mind the prayer of this petition and do his best to meet the request of these people, which is a modest and just one in every respect. I ask, Sir, that the petition be laid on the table of the house and referred to the department to which it relates.

Mr. M. Whalen (Harbour Main): Mr. Speaker, I should like very much to offer my support to this petition to make Middle Bight Road a secondary road. These particular people, Mr. Speaker, living on that particular road, have a serious problem. There is a steady increase in the number of people who have acquired trucks and cars over recent years. This consequently causes a breaking down of these roads which make it impossible for the local road grant to take care of the repairs. In fact, Mr. Speaker, I think we will be obliged to reclassify these roads as secondary roads if we are going to keep them passable, particularly in winter-time. The road needs widening so that snow clearing can be done, and this is impossible under the local road grant. For this reason, Mr. Speaker, I would like to offer my full support to this petition. On motion petition received for referral to the department to which it relates.

NOTICES OF QUESTIONS:

Notice of questions on tomorrow given by Mr. Hollett.

ORDERS OF THE DAY:

LOOSE SCREWS:

Hon. M. M. Hollett (Leader of the Opposition): There is just one matter on the Order Paper today which I would like to call the attention of the house. That is the precarious position in which we find ourselves on this side of the house, with situations like that: We never know what is going to happen. I would like to know in the first instance why necessary screws were taken from the seats and if it was on account of certain insinuations appearing in one of the morning newspapers, I think yesterday. Would the hon. the Speaker tell us why these seats are not screwed to the floor like they always were?

Mr. Speaker: Order! No seats, actually, should be screwed to the floor, but in this case the seats, unless they are screwed in somewhat, seem to be in danger of toppling over. Since the Speaker has no wish to undermine the Opposition, or cause them to feel ill at ease, I will see if I can get them made more secure.

Mr. Hollett: I want to assure the hon. the Speaker that there is no split, no rift in the ranks on this side of the house whatsoever — there might be on the other side.

Mr. Speaker: I believe the hon. member has had an answer to his question.

Hon. B. J. Abbott (Minister of Municipal Affairs and Supply): Mr. Speaker, I beg leave to table the answer to Question No. 41 on the Order Paper of June 21, 1959, asked by the hon. member for St. John's Centre (Mr. Duffy).
Question No. 41 tabled (see index)

Premier Smallwood: Mr. Speaker, the hon. member for St. John's West, the hon. Leader of the Opposition, asked a direct question to me as minister of Education as to how much money was spent by the de-

partment in the last fiscal year on the expenses of boats or vehicles for supervisory services. The answer is that during the past fiscal year the department of Education spent \$22,000 for the operation of boats in the supervisory services. The department of Education operate a number of boats to carry the supervisors around the coast. In the same period, travelling expenses, including mileage paid to supervisors who don't operate boats but operate cars, amounted to \$16,656. Supervisors operating their own cars travelled a total distance of 35,500 miles. We have not the figures showing the mileage travelled by the boats. I was also asked to state the detail and form of assistance given to pupil teachers during the past year and state the actual cost for the previous year:

Assistance provided pupil teachers, in the form of indenture payments in amounts of \$300 to assist the pupil to study Grade XI academic course and \$400 to assist pupils to study Grade XII academic course and \$600 to assist the pupil taking any prescribed education course at Memorial University. In the case of pupils taking the Grade XI and Grade XII academic courses, they are required to enroll in the educational course at the University upon obtaining entrance qualifications. Students receiving indentures at Memorial may receive it in only one year of the four year course. All students receiving the indenture are required to teach in a school in Newfoundland for a period of two years upon completion of their studies. The actual cost in the 1958-59 fiscal year was \$244,627 or approximately a \$250,000. That is assistance given to pupil teachers during the past year.

Finally: What was the total cost on account of Transportation during the fiscal year for regional high schools and board schools? The cost of transportation of pupils attending regional high schools last year was \$58,000. I am giving it in round figures — the exact amount is here — and for pupils attending board schools, \$54,000 for the year.

Question No. 40 tabled (see index)

ORDERS OF THE DAY

ESTIMATES:

On motion that the house go into Commit-

tee of Supply, Mr. Speaker left the Chair. Mr. Clarke Chairman of Committee of Supply:

DEPARTMENT OF PUBLIC WELFARE XI:

Mr. Hollett: In 1100-09 I notice an increase of \$2 million for Social Assistance.

Mr. Smallwood: That is in realization of certain changes that have occurred in the state of the economy of Canada.

Mr. Hollett: The state of Canada's economy?

Mr. Smallwood: Yes, including Newfoundland.

Mr. Hollett: In other words — very well! Resettlement. How much was spent on resettlement last year.

Hon. S.J. Hefferton (Minister of Welfare): About 35 places last year were relocated elsewhere.

Mr. Hollett: Under what heading was that taken care of? There is nothing appearing for last year here.

Premier Smallwood: There was no special vote for it. I suppose it came out of the general fund.

Mr. Hollett: What general fund?

Premier Smallwood: General Assistance Fund within the department. Now there is a new vote set up especially.

Mr. Hollett: Would that be that the 35 settlements were vacated completely?

Mr. Hefferton: Completely.

Mr. Hollett: Comprising how many families?

Mr. Hefferton: Between 200 and 250.

Mr. Hollett: All from islands?

Mr. Hefferton: No. Mostly from islands, some out of little coves. There may be two or

three or four families three or four miles from anywhere who wanted to move up to the bigger settlements.

Mr. Hollett: I would like, Mr. Chairman, to pay my compliments to the minister and his staff. In my capacity, I have a lot of people who want to apply to Public Welfare, and many times every day I have to contact the department in one way or another, or City Welfare. Only yesterday I had an emergency case. As a matter of fact, I was called out of the building to attend to it. I got in touch with one of the officials and it was taken care of almost immediately. It was an emergency. There was no nonsense about it, I am glad that the minister has arranged that responsible officials can take care of such things, and that they won't have to come before Cabinet before doing anything at all. I would say the department did an excellent job there. There are, of course, some cases where people are disappointed. You are going to have that. But, Sir, I do pay a compliment and a well deserved compliment, because I know whereof I speak, to the minister and his staff at the department of Welfare.

Mr. Duffy: Mr. Chairman, I would like to add a word too. I have had countless experiences with these officials, who often are very harrassed and it is a very trying job for a number of them but I am very glad to commend them publicly for their great efficiency and for their great sympathy for the problems that are brought before them, and for the very practical job they are carrying out.

On motion department of Public Welfare carried.

BOARD OF LIQUOR CONTROL:

Mr. Hollett: Mr. Chairman, would the minister state what the actual income was last year for the Board of Liquor Control?

Premier Smallwood: That would appear in the Auditor General's Report for sure.

Mr. Hollett: This comes under what minister?

Premier Smallwood: The minister of Finance.

Mr. Hollett: I wonder could the minister give some idea as to the returns by way of revenue last year?

Premier Smallwood: I happen to have it here. The minister did not bring his copy with him but I happen to have mine. It was from 1953 and on: \$2.6 millions; \$2.9 million; \$2.3 millions; \$3.1 million. And \$5 million was the year when we took some accumulations from other years; and \$3.4 millions.

Mr. Hollett: That is the last year, \$3.4 millions?

Premier Smallwood: Yes.

Mr. Hollett: That is profit now the hon. gentleman is talking about?

Premier Smallwood: Revenue under all headings. No, the figures I gave are just profits.

Mr. Hollett: I mean the amount that would appear somewhere here.

Premier Smallwood: Page 19 — Trading Profits: \$3,383,000, or \$3.4 millions.

On motion Board of Liquor Control carried.

DEPARTMENT OF MUNICIPAL AFFAIRS AND SUPPLY:

Mr. Hollett: What was the exact grant for City Council last year?

Hon. B.J. Abbott (Minister of Municipal Affairs): The City Councils, Mr. Chairman, Corner Brook and St. John's: Corner Brook received \$309,000, made up as follows: \$75,000 as the balance of a grant of \$150,000, which is decreasing by \$25,000 now each year; \$30,000 for fire protection; \$105,000 as a special grant and \$99,000 that was given to the Water and Sewerage Corporation, making a total of \$309,000. The City of St. John's received \$40,000 - \$30,000 in lieu of motor taxes and \$10,000 for the Bowring Park Committee.

Mr. Hollett: In other words that is nearly \$100,000 more than was estimated — \$90,000.

Mr. Abbott: Yes.

Mr. Hollett: Could the minister tell us how much was the grant to local councils?

Mr. Abbott: The local councils are on a scale this year. We budgeted for an increase of one \$105,000. That was due to the increase in the number of councils; in fact we have more councils with water and sewerage, and they get a revenue on their collections from water and sewerage. The grant, of course, is well known: it is \$2 for every \$1 collected up to \$1000 and then \$1 for every \$1 collected from \$1000 and one up to \$5000, and 90 cents for every \$1 collected from \$5000 and one up to \$15,000 and 70 cents for every \$1 collected from \$15,000 and up to \$25,000 and then 50 cents for every \$1 collected from \$25,000 upwards.

Mr. Hollett: The amount last year was how much?

Mr. Abbott: The total amount last year is seen there; \$425,000. We are asking for an increase of \$150,000 this year.

Premier Smallwood: Mr. Chairman, I wonder would the minister mind explaining under 1300 (11) (04) (05) and (06) where these topographical government surveys have been made?

Mr. Abbott: Mr. Chairman, this year the survey is now going on in Happy Valley, which will cost \$20,000. Happy Valley, as the hon. members know, is a growing settlement. As a matter of fact, it has mushroomed overnight, and people are moving in there from Labrador, and it is imperative that a survey be made right away. That survey will cost \$20,000, and there will be just \$5,000 left for miscellaneous surveys.

Premier Smallwood: I wonder, Mr. Chairman, would the minister be able to tell me when the survey for the community of Robert's Arm is going to take place in Green Bay district?

Mr. Abbott: As a matter of fact, in reply to the hon. member, Mr. Chairman, our engineer is there now, although there may not be an actual survey because we have only one engineer for the department. We ad-

vertised for a second engineer — engineers are very difficult to obtain for that particular work, and it may be imperative to engage outside engineers to conduct a survey there. A loan may have to be made to the town of Robert's Arm in order to pay for that survey.

Premier Smallwood: Mr. Chairman, before you carry that, might I remind the Committee of a very interesting fact, i.e. that at this moment Newfoundland has a larger number of settlements that are growing rapidly, growing very rapidly than she ever had been before. Right now, we have Happy Valley in Labrador which is probably the fastest growing town in the whole province. It is a tremendous place, enormously spread, a fascinating community. Springdale in Green Bay too is a community to which people are flocking from all over Green Bay, Springdale is a very modern town with electricity, water and sewerage (at least water and I think they are about to put in sewerage), a hospital, a very modern, progressive town council. Lewisporte is a very fast growing place too, with people moving in from all parts of that section of the Notre Dame Bay; a very fast growing town and again very modern, with electricity, water and sewerage and a very progressive town council. Hare Bay, Bonavista Bay is the newest place of all to know that great new trend in population growth. People are pouring into Hare Bay from the islands of Bonavista Bay, and Hare Bay is growing at a rate. I would think, to about double itself every four or five years — tremendous! Now, of course, it is connected by road all along the north side of Bonavista Bay, and that is having a very big effect on influencing people to remove themselves from the islands to get in on the mainland. When they settled on the mainland before, they were still relatively isolated. If they moved from Flat Island, for example, or Silver Fox Island to Wesleyville or Hare Bay, they still could get out of those places only by boat. Now that the north side of the bay is linked by road, when they move in from an island to, say, Hare Bay, they are only an hour's drive from Gander, and only a few hours drive to St. John's so that Hare Bay is the newest of these fast growing towns.

Then we have the Alexander Bay area, which includes Traytown and Glovertown,

in Bonavista Bay, as is the other area, and in between these two is the Gambo-Dark Cove-Middle Brook area, which is really all one community although it is three towns. That too is growing very rapidly. These three places, Mr. Chairman, Alexander Bay and the Gambo section and Hare Bay section are draining the islands of Bonavista Bay, names that were famous: Flat Islands, Gooseberry Island, Fair Island, Silver Fox Island, Black Island, Green Island etc. There are now no longer people living on these islands, but they are living now in these three fast growing Bonavista Bay towns.

Mr. Hollett: Does that mean a complete abandonment of the fishery in that area?

Premier Smallwood: Not of the fishery. Only this very day a man from Hare Bay came to see me, pointing out that men had moved in there from the island, good fishermen and who now wanted to develop some kind of facility to enable them to carry on the codfishery from their new homes on the main shore of Bonavista Bay. Then in Placentia Bay there is the Placentia, Jersey Side, Freshwater, Dunville section, which is an extremely fast growing section of Newfoundland, one of the fastest growing we have in the whole of this province. It is tremendous! Freshwater today and Dunville are two of Newfoundland's largest places. That has happened in the last half dozen or eight or 10 years. It is tremendous, the new houses that have gone up, the new magnificent new homes. The people are prosperous and progressive-minded. It is really quite astonishing.

Mr. Hollett: I take it the government has no intention to have the bridge.

Premier Smallwood: Would it be true to say that the hon. gentleman has bridge on his mind, bridge on his brain —

Mr. Hollett: I have heard of bridges in the mouth, but on the brain?

Premier Smallwood: Then you have two other towns growing fast in Newfoundland: One of them is Stephenville. Now I said that Happy Valley was the fastest growing, but it is a toss-up between Happy Valley in Lab-

rador and Stephenville on the West Coast. It is astonishing. It is not only Stephenville but Stephenville as the centre of an area, Stephenville Crossing is growing very rapidly and now has a town council. Then on the other side of Stephenville are the nearby settlements. All of that area is growing like a mushroom. You can almost see it grow. They are very progressive people — a progressive town council paving their streets, putting water and sewerage in and electric lights and in many other ways it is a very thriving and prosperous place, and so too are the twin towns of Port aux Basques-Channel.

So that today, as never before in Newfoundland, we have Port aux Basques-Channel; Stephenville and that area; Dunville, Freshwater area; the Alexander Bay Area; the Gambo-Dark Cove-Middle Brook area; Hare Bay; Lewisporte; Springdale and Happy Valley — nine. Nine where I suppose before we never had more than three or four at any time in our history, three or four places that were growing visibly, very fast. Today we have nine. And, Mr. Chairman, that is having a tremendous effect on depopulating other places. I was thinking of that a moment ago when the hon. Leader of the Opposition asked about resettlement. After all, the best resettlement you can have is — the very best and the soundest — is where people move voluntarily and at their own expense from where they are to a new town, not for the sake of leaving the old place, but for the sake of going to the new town where they have new jobs, new opportunities, new facilities and new attractions. That kind of voluntary resettlement is soundest, and of course, insofar as the Treasury is concerned, it is the cheapest kind.

Mr. G.R. Renouf (St. John's South): What does that housing subsidy there mean?

Mr. Abbott: That is \$25,000. Mr. Chairman, we have 192 subsidized housing units now under construction. These will be ready for occupancy this year, 1959. The full subsidy would amount to \$240 a unit: 192 units at \$300 a unit, which would make a total of \$228,400. Well, the provincial share would be \$32,000. The budget of the Housing Authority, which has been approved, indicates that the subsidies for this

year will actually be around \$25,000 — that is the amount which appears here. Now that figure, of course, makes no provision for loss on the new units. It does provide for painting and landscaping of the older units. The former Housing Authority neglected these units, so the new authority now are determined to reverse that attitude, and both the federal and provincial partners have agreed to do some landscaping and printing of these units. I am thinking now of the units on Empire Avenue and at Westmount.

Mr. Hollett: Would the minister explain the section "Interest Housing Corporation Purchase".

Mr. Abbott: Yes — that is \$24,000. This amount of \$24,000 shown there represents an amount payable to the City of St. John's under Act No. 67, 1952. If you recall, we purchased the City's equity in the St. John's Housing Corporation. That \$24,000 represents interest. And, you will find in the capital account, of course, another \$9,500 which represents the total debt of \$741,263. That amount is the original. That debt is being retired, paid to the City. That is the City's equity in the Housing Corporation being retired on the total payment of \$33,500 a year and will be retired in 1968 when the total amount will be paid off.

Mr. Hollett: That is an amount we owe the City Council?

Mr. Abbott: That is what we owe the city for their equity in the Housing Corporation Apartments. It is being paid to the City.

Mr. Hollett: You pay the interest too?

Mr. Abbott: Bank charges and interest on the money that is paid to the city, yes. Bank charges and interest and principal, which we borrowed at that time when the Housing Corporation was set up.

Mr. Hollett: Is that printing for the whole government?

Mr. Abbott: Yes, Mr. Chairman, \$200,000.

Mr. Hollett: What was the total last year?

Mr. Abbott: \$180,000.

Mr. Hollett: That is the amount that appears here. That is actual?

Mr. Abbott: I am unable to say — I assume it was, yes — I am only assuming that.

Mr. Hollett: We can assume anything, but on a matter of such importance —

Mr. Smallwood: Let me look it up — I happen to have it here.
Yes, \$200,000.

Mr. Hollett: That extra printing was caused by some emergency, I suppose.

Mr. Abbott: Mr. Chairman, I can account for that. As the hon. Leader of the Opposition knows, that year we had the National Health Scheme introduced, which of course necessitated quite a bit of printing and stationery and office supplies. Every time a new appointment is made in the way of a stenographer that requires office supplies. The cost of printing has gone up. Although we do all our printing on a competitive basis, nevertheless the cost continues rising and paper is increasing in price. That really accounts for it. Every department showed an increase in the cost of printing.

Mr. Hollett: Who does the printing?

Mr. Abbott: It goes out on a bid. We have all the printing firms here: Long Brothers, Guardian, Daily News, Dicks and Company, all the printers here, those that do job printing are asked to tender.

Mr. Hollett: I see.

Mr. W. Smallwood (Green Bay): Mr. Chairman, I must say this is the first time I have had hold of the estimates for this year — Under Section 1333-04 and '07 I note the total of these two items for the last three years is somewhere around \$170,000, and comes under the heading of Office Equipment and Office Furniture. I wonder how could the one department need \$170,000 worth of equipment in three years, per year.

Mr. Abbott: The office equipment is for the whole government — For instance, typewriters: Every department in the civil service today is asking for new typewriters, filing

cabinets and other equipment. A decent typewriter today, as every member knows, costs from \$160 to \$200. As a matter of fact, we have a lot of typewriters today which need repairs and we need some new typewriters. I may say in the Education department, in one division, that of Adult Education, we have typewriters now which have been in use for over 21 years. That suggests that it is about time we did scrap some of these typewriters and replace them with new ones. The office furniture, of course, is covered down there in another vote — \$50,000, furnishings for the Confederation Building. We are at the present time, declining new orders for office furniture because we feel that the furniture which should go into the Confederation Building should be of one and the same pattern, if at all possible. That is why last year the office furniture vote was \$25,000 and this year it is just \$2,000. Office furniture, as hon. members know, consists of desks and book cases and what have you. These are the things that come under office furniture.

Mr. A.M. Duffy (St. John's Centre): Does that represent the total furnishings for the Confederation Building? It does not?

Mr. Abbott: Oh no!

Hon. E.S. Spencer (Minister of Finance): I wish it did.

Mr. Duffy: I understand next year we are going in. Is it anticipated that this place will be opened before next year or before the next session?

Premier Smallwood: Yes.

Mr. Duffy: Does that come within the fiscal year?

Premier Smallwood: Some more money will be spent in the next financial year.

Mr. Duffy: So it won't be completed.

Premier Smallwood: What?

Mr. Duffy: The furnishings.

Premier Smallwood: We can't go into an empty building.

Mr. Abbott: A lot of furniture now existing will be transferred to the Confederation Building.

Mr. Duffy: It won't be elaborate enough for this building.

Mr. Abbott: Some will not be elaborate enough, I guess some other will.

Mr. W. Smallwood (Green Bay): Mr. Chairman, I wonder if the minister could tell us if this \$50,000 includes the installation of new inter-communication systems in the new Confederation Building. I tell you, Sir, it is my understanding that no provision is being made by the engineers for the installation of intercommunication systems. My knowledge of it is that these wires should go through pipes, and if it is not done now when the building is being proceeded with, then in the future these wires will have to be strung around in the open. I wonder if the minister could tell us something about that.

Hon. J.R. Chalker (Minister of Public Works): I would like to reply as to what actually happens: All conduits for telephone, electric lights and communications systems throughout the building are laid in sections throughout the floor, and when it is decided to put in this inter-communication system it is very simple; only eight to 10 feet, and there is no difficulty whatsoever. It is all presently engineered.

Premier Smallwood: Yes, and furthermore, I believe the telephone system within the building will be largely taking the place of inter-communication systems. I believe they are the kind of telephones where you press a button yourself. There are several buttons on the front and you press one or the other and that connects you with the different parts of the building. That is what they have in modern telephone systems. That is what we are going to have. Then we will have our own master switchboard in the building to connect us with the whole world as well as within the building itself, an internal and external switchboard.

Mr. G.R. Renouf (St. John's South): Will that be included in the cost of the building

— installation of an inter-communication system?

Premier Smallwood: The basic part of it yes. It is now being installed as part of the building.

Mr. Chalker: Go in and see it. It is quite a sight. It is quite easy to see it. It is laid out beautifully there.

Premier Smallwood: As a matter of fact, Mr. Chairman, it would be a pity if hon. members were not going fairly frequently to visit the Confederation Building. I go daily. I came here into the chamber today from the Confederation Building. I did it yesterday. I came here yesterday from the building. And I go right up to the top. I went up today. The hon. member for Port au Port (Mr. Smith) was with me. We walked up the stairs. The elevators are not yet in, of course. They are installing them but they are not installed so you have to walk. And we walked up to the very top of the building. By going in like that, fairly often, hon. members will know all the secrets of the building, whereas if they go in when the building is completed they will really see very little or have very little idea of what the building is like. It is well worth seeing it from time to time, at least once a week, to go all through it and see how techniques, a very, very well built building. On motion department of Municipal Affairs and Supply carried. On motion the Committee recessed for 10 minutes.

Mr. Chairman in the Chair:

DEPARTMENT OF LABOUR — Carried.

DEPARTMENT OF FISHERIES:

Mr. Hollett: Mr. Chairman, what about storm damages last year.

Hon. J.T. Cheeseman (Minister of Fisheries): Last year was only just a token vote, we had no payments.

Mr. Hollett: No storm damage last year? What is the principle on which storm damages are paid?

Mr. Cheeseman: I believe it was in 1955 there was province-wide storm and storm

damage, and a special fund was set up. There have been a few small bills outstanding and it is kept in the estimates just in case something turns up for that particular allocation.

Mr. Hollett: It has to be widespread?

Mr. Cheeseman: Yes.

Premier Smallwood: It has to be, to the province or to the nation as a whole. When it is to the nation as a whole the government of Canada declares it then in the national interest to do it. Similarly, within a province it has to be on a big enough scale for the province to regard it as a provincial disaster.

Mr. Cheeseman: Fortunately since then, there has been no province-wide damage.

Mr. Hollett: I think such cases have happened in Newfoundland in the past as happened in New Brunswick a few days ago.

Premier Smallwood: I doubt even that was declared a national disaster.

Mr. Hollett: In cases like that, storm damages would have to be forthcoming from this government. While I am on my feet I would like to say how much we deplore the tragedy which happened there and I am sure we all in this house are sympathetic towards the tragedy suffered by these people.

Mr. Renouf: What does the \$20,000 involve?

Mr. Cheeseman: That is an annual payment made by the department of Fisheries, by the government, to the Newfoundland Federation of Fishermen.

Mr. Renouf: Does that run the Federation, that amount?

Premier Smallwood: No, not anything near it. This is merely a contribution towards it.

Mr. Renouf: Does the government have anything to say in the expenditure of this?

Premier Smallwood: No, nothing at all.

Mr. Cheeseman: No, it is voted to the Federation and the disposal is in the hands of the Federation.

Premier Smallwood: It is unqualified and unconditional, similar to the grant the government makes to a considerable number of other organizations. These would be found in other departments, not the department of Fisheries.

Mr. Renouf: It is very large in proportion to the individual grants to others.

Mr. Smallwood: Not large in relation to the fact that a capital sum of about \$500,000 or between \$500,000 and \$600,000 of fishermen's money is in the government's possession, and that amount, very roughly, is equal to the interest on that capital sum.

Mr. Renouf: In what form?

Premier Smallwood: It was accumulated during the war as a tax — the minister of Fisheries knows the details of it, an export tax imposed by the government on fish. They accumulated a fund and we inherited this fund, and we still have it and we use approximately the interest on it as a grant to the Fishermen's Federation. It goes towards the general running expenses of the Federation.

Mr. Hollett: Does the government get any annual report from the Federation?

Premier Smallwood: No, nothing. It is none of our business.

Mr. Hollett: It is our business, our business to know the number of locals there are and the number of fishermen.

Premier Smallwood: None at all.

Mr. Hollett: Not our business? I can't say I can see why it should not be, why we should not know something about it.

Premier Smallwood: As citizens, not as legislators.

Mr. Hollett: In this house, remember we are all citizens.

Premier Smallwood: We are in here as legislators, not citizens.

Mr. C.M. Lane: Why not read the report issued every year, the report of the convention, Mr. Chairman?

Mr. Hollett: Is it tabled here in the house?

Premier Smallwood: It is not issued to the government but to the members. And that is published — the magazine is published.

Mr. G. Nightingale (St. John's North): I wonder if the minister could tell us if we have anything here to help our fishermen who lost their nets in ice damage. We have quite a lot of it this year, lobster pots and salmon nets ruined absolutely. Is there anything given in the department to help these fishermen replace their nets, which are fairly expensive?

Premier Smallwood: No there is nothing there and never was, and it is questionable if there ever will be as regards ordinary casual losses that occur from time to time.

Mr. Nightingale: A loss is always a loss when not insured.

Mr. W. Smallwood (Green Bay): Pump Bounty — I wonder if the minister would explain what is the meaning of this pump bounty and who gets it?

Mr. Hollett: Pumps money into the various sections.

Mr. Cheeseman: Fishermen who purchase pumps for use in connection with their operation, pumping engines of a type which receive approval of the department, receive contributions from the department of Fishery, a bounty of \$50. That bounty has been paid now for several years.

Mr. Smallwood: At least 10 or 12.

Mr. Cheeseman: So that instead of dipping water to the stageheads in buckets, they have a pump to get clean water. It is to encourage fishermen in the greater use of pumps for washing their fish.

Mr. W. Smallwood (Green Bay): On the matter of experimental fishing, I wonder would the minister tell us what was the result of the experimental fishing boat to drag for shrimp in Hall's Bay?

Mr. Cheeseman: I never heard of any experimental work being done for shrimp in Hall's Bay — it might be federal — I would not know.

Mr. W. Smallwood (Green Bay): Of course, it could be federal.

Mr. Cheeseman: That is the first I have ever heard of any operation being carried on in Hall's Bay.

Mr. W. Smallwood (Green Bay): If you don't mind another question I would like to ask if the provincial minister of Fisheries does not know about experiments being carried on by the federal department of Fisheries? There must not be too much co-operation between the two departments.

Premier Smallwood: Close co-operation, more than we have had for many, many years — that does not get down to every last detail.

Mr. Duffy: This brings us down to salaries under 1427 (01). All the others are shown in the appendix but I don't see it here. What standard would they be?

Mr. Cheeseman: Fisheries Development Authority — that is the salaries of the three members and their assistants.

Mr. Duffy: Mr. Chairman, I have spoken about this before and I propose to talk about it whenever the vote comes up. I will say, briefly, that I think it is a scandalous waste of public money. I think that the government has a moral responsibility to repay the money that has been spent on this useless operation. I am going to propose an amendment to that vote, that it be reduced by the amount of \$56,000 to bring the salaries of the board in line with other government boards, like the Board of Liquor Control. The ridiculous and absurd explanation that has been given from time to time by the Premier I am not prepared to accept, and I think that, as long as this useless ex-

penditure goes on, we have little hope of a sound financial administration.

Mr. Renouf: Mr. Chairman, I second that motion.

Premier Smallwood: Seconding is not needed. It is not necessary. Motion, that under Item 1427-01 salaries be reduced by \$56,000 — Motion lost.

Mr. Duffy: On division, Mr. Chairman.

Premier Smallwood: There was not enough called for it. Don't waste time.

Mr. Duffy: That is all it is, was of time, waste of money too.

On motion Department of Fisheries carried.

DEPARTMENT OF ECONOMIC DEVELOPMENT:

Mr. Hollett: I would like the hon. minister to give us some explanation of "General Publicity".

Premier Smallwood: That is exactly what it says, printing.

Mr. Hollett: But it has gone up from 30 to 50.

Premier Smallwood: We are printing more, and publicizing more. We are stepping up our publicity. I thought I had tabled in the house here selections of magnificent pamphlets, leaflets and booklets we are publishing. We are now amongst the best provinces of Canada in our tourist literature.

Mr. Hollett: Did you print about the weather?

Premier Smallwood: No, we don't emphasize the weather. We have now made Newfoundland the centre for this Western Hemisphere for tuna fishing. We have had the world's record for the last two years running for the largest tuna fish, caught in our waters.

Mr. Hollett: Where are documentary films shown?

Premier Smallwood: They are shown from one end of Canada to the other, and from one end of the United States to the other, and are shown in two ways: One, on the TV stations; there is scarcely a TV station in the United States but is happy to get our documentaries, and they are shown and are seen by scores of millions of people on TV. Then, secondly, there is not a sport show or sports convention anywhere in the United States or Canada that our films are not shown and our literature distributed. The result is that if we ever reach the point where we have the roads and accommodations, we are building up a tremendous potential for tourist trade in Newfoundland. It is tremendous.

Mr. Hollett: Mr. Chairman, some time ago the Director of Tourists in Newfoundland made a statement whereby he intimated the expenditure by tourists in Newfoundland during the past 12 months was something like, I believe, several million dollars. Where is that money spent? How is it spent? Could that be broken down?

Premier Smallwood: Yes, of course!

Mr. Hollett: Is there any way of getting it broken down?

Mr. Smallwood: Certainly. We follow that well-known standard which we did not design but which was designed across Canada generally by the tourist organization. Now, the Committee must be aware of the fact that the tourist trade is one of the great trades of the world, the whole world. Every country of the world, of any consequence, has a tourist department, and it is highly specialized thing. All the tourist agents, agencies, organizations, government, private, commercial, steamship, railway, airlines, travelling agencies and lots of other branches and divisions are all of them in every country organized into a national tourist association, which holds a regular convention and discusses the peculiar problems of that industry in general. Then the tourist organization of several countries will have federated and will meet quite frequently. It is a great, gigantic thing running perhaps in North America to a billion dollars a year.

Mr. Hollett: We know that — tell us where the money goes.

Premier Smallwood: Wait a minute — If the hon. gentleman will allow me to answer in my own way I will do it. I only know how to answer in my own way.

Mr. Hollett: I would rather have the figures.

Premier Smallwood: Now, that world-wide tourist organization has adopted certain standards in many, many respects. One of them is to estimate how much money does a tourist spend, and we have adopted that standard. If you have a certain number of tourists, then, on the average, you know that is so much for fare, so much for board, so much for a motor car hire, so much for the hire of guides (not much because only a few of them hire guides and the average per tourist would be very small but it would be something) so much for liquor, so much for restaurants and meals, so much for purchases within the area he visits, so much for the things he buys there. They may only be simple souvenirs, may only be picture post-cards, but everything is broken down into a standard gauge, a standard measure. We take the number of tourists and multiply it by that figure.

Mr. Hollett: How many tourists were there last year?

Premier Smallwood: I do not know that from memory. The question the hon. gentleman asks is: How do we know that? We get it from the railway, immigration office, TCA, the steamship lines. There are various ways, well-known ways, standard ways. Again, the tourist organizations of the world have succeeded in getting the governments of the world to have a uniform reporting system. When you land in the United States you are handed a card before you cross the border, and on an airplane the hostess gives it to you. You will fill in that, telling whether you are a tourist or not. These are all carefully put through machines in the United States. Similarly when you come into Canada the same things will be worked out, and there is very little if any guess work in it. And, when the Director of Tourist Development says we

have received in Newfoundland last year "X" number of millions of dollars through tourist development he is not guessing. He is merely multiplying the number of known tourists by the standard amount that a tourist spends, and that gives the total — and, Sir, it is surprising.

Mr. Hollett: What is the standard amount a tourist spends?

Premier Smallwood: I can't give these figures from memory. If the hon. gentleman wants that, at any time he could give notice and I would have brought the figures in.

Mr. Renouf: That amount of \$2,600, Mr. Chairman, Gander Information and Port aux Basques information, what is the purpose of the separation there?

Premier Smallwood: That is intended to pay the cost of our stationing somebody at Gander and somebody at Port aux Basques to meet passengers as they come through, advise them and give them guidance and distribute literature and maps and generally to be useful. Half a million passengers pass through Gander Terminal every year, and by putting a booth, as we have done, in a good position in the new terminal — and I am told it is one of the best in all Canada, our booth, built by CMIC — this will result in our distributing possibly several million booklets and pictures etc., each year in the future at Gander.

Mr. Renouf: That amount of \$40,000, what is that made up of?

Premier Smallwood: We have to pay our fees to APEC, Atlantic Provinces Economic Council. We have our fees to pay and the cost of our representative going to attend their meetings. I think the new president coming up is Mr. Authur Johnson. He will be the next president of APEC, I believe. You see, APEC engages economists and what have you to make general surveys of the Atlantic Provinces Regions of Canada. We are paying our share of that. I sometimes have my lack of enthusiasm for it, but I think we should be good Canadians and good Atlantic Province people, and it costs us this much to do it.

Mr. Renouf: What is the contact between London and here?

Premier Smallwood: The London office is Atlantic Provinces House, and the four provinces pay the cost, and maintain a commissioner over there in charge.

Mr. Hollett: Under 1506 — who is the chief engineer?

Premier Smallwood: Mr. Dickenson. He is an Englishman living in Newfoundland.

Mr. Renouf: He is from Western Canada.

Mr. Smallwood: He is an Englishman who lived in different parts of Canada and in Newfoundland for 20 odd years.

Mr. Hollett: And the Director Grade X — has he been appointed?

Premier Smallwood: No, I guess he has not. There are only two members of the commission as of this moment until these estimates pass. Soon after they are passed we will appoint the two commissioners to complete the commission and they will start their work. As the Committee knows or will have notified, in the Capital Account Expenditure there is an amount of \$500,000 to be given to them this year to start the program rural electrification. On motion department of Economic Development carried.

DEPARTMENT OF HIGHWAYS:

Hon. F.W. Rowe (Minister of Highways): Mr. Chairman, perhaps I could save the Committee a little time if I took three or four minutes just to draw attention to some of the aspects of the program for this year. This year we estimate to be spending on Current Account for Highways, \$6,226,000 and on Capital Account \$11,878,000. That makes a total expenditure of \$18,100,000, (in round figures). As far as I have been able to ascertain, Mr. Chairman, that is the largest amount that any minister ever asked this house to vote for Highways in any one session.

Now, looking at the Current Expenditure for a moment, the chief items are: (1) the maintenance of roads and bridges — for

that we estimate \$4,750,000, for maintenance of roads and bridges in this province; (2) for local road grants, of which there are fifteen hundred miles of local roads, \$650,000. That is, of course, in accordance with the program introduced here two or three years ago by the hon. the Premier whereby we advance \$2 per head for those areas where local road committees are set up.

It might be of interest to the Committee to recall that for the purpose of maintaining roads in Newfoundland the province is divided into four areas: first of all, the Avalon Peninsula, secondly (these are what we call districts) District 2, which comprises Trinity Bay and most of Bonavista Bay, the Burin Peninsula, the South Coast, that headwater there at Clarenville; then the District in Central Newfoundland which includes Notre Dame Bay and Bonavista North, and the fourth district is the District of the West Coast, including the West Coast, White Bay and Labrador.

In District 1, the Avalon Peninsula, there are 19 units; in District 2 there are 15 units; in District 3 there are 15 units and in District 4 there are 17 units, making a total of 66 maintenance units. I think perhaps for the benefit of the Committee I should just elaborate for a moment and say just what a unit consists of — this would be an ordinary unit, consisting of a grader, loader, bulldozer, a gravel plant and four trucks. And, there are 66 units, and the machinery of each unit would have a value of something like \$100,000.

Mr. Hollett: And how many men?

Mr. Smallwood: The exact number is 16.

Mr. Rowe: The total value of each unit would be roughly over \$100,000 and there are 66 units. That would give a total value of something like \$7 million worth of machinery and equipment. Actually we have roughly \$8 million worth of equipment because there are several other large pieces of machinery which may serve more than the one unit. The total mileage of roads being maintained in this province is 3,575, of which nearly 200 miles are paved roads. Now a word about current account revenue: The total revenue we estimate is \$1,758,000. Reference to the estimates will

show that the largest single item from which we derive the revenue is the licensing of motor cars, \$1,425,000. Drivers licences account for another \$200,000. So that the great bulk of the revenue in the department of Highways comes from two sources. About \$1,625,000 comes from the licensing of machines and the licensing of operators or drivers.

Under Capital Account expenditure comes the improvement and reconstruction of roads. This covers repairs to bridges, making roads ready for paving and the actual paving, other than the Trans-Canada Highway. Now, we estimate roughly \$1.5 million under entirely new construction in all parts of the province. We estimate another \$2,459,000 roughly, for the road from Gander Bay to Gander itself. That road will tie up that part of Newfoundland with Gander Airport and will be of particular value to the district of Twillingate as well. The road from the Trans-Canada Highway to Bay d'Espoir has been designated as a road to resources. I think I have given most of the highlights or the main estimates for the present program, Mr. Chairman.

Mr. Duffy: I wonder could the minister tell us how the machinery and equipment is financed?

Mr. Rowe: Most of the machinery we have on the roads, or a great deal of it, most of it was purchased last year and the year before through that five year rental-purchase agreement whereby each year the department pays so much for the machinery. We are not proposing to buy any large amount of machinery this year. We have, I think, \$100,000 estimated. That will, I think, be mostly for compressors etc., and I feel that \$100,000 to keep \$8 million worth of equipment up to scratch is not very much. So we won't have a very large program of purchase.

Mr. Hollett: You have to pay over \$1 million on account of purchases?

Mr. Rowe: Yes! The exact amount is \$1.5 million — it is in here.

Premier Smallwood: Included in roads maintenance.

Mr. Duffy: If the minister could give us an explanation or a comparison of the cost of the operation before this new rental-purchase came into operation. What is the saving expected? I won't expect an answer to that right now.

Mr. Rowe: I can answer that in one sentence, Mr. Chairman. There is really no basis for comparison, because the amount of roads we are now maintaining compared with three, four or five years ago is vastly greater, and in most cases I think we are doing it more efficiently. Not only are a lot of roads being maintained, but this system introduced two years ago, by my predecessor, not only maintains roads but in a great many cases is enlarging them and improving them. The best example I know, and the one I am most familiar with, is the 50 miles of road from the Trans-Canada out to Baie Verte. That, only two years ago, was only a token road for Bowaters Logging Centres. In the last years the units working on that road not only maintained what was there but took out a lot of turns, widened the road in places and have done away with some grades there — in other words, it is not merely a matter of maintenance now, as it was in the past, when a man or truck came along and dumped a few loads of gravel here and there. In this case, these units are doing major work improving and reconstructing.

Premier Smallwood: Could we not ask the questions under the headings concerned so as to get through the vote?

Mr. E. Jones (Burin): Mr. Chairman, I note there is no vote for snow-clearing.

Mr. Rowe: The answer to that is that is all carried now in maintenance.

Mr. Jones: Mr. Chairman, will provision be made in the vote to take care of snow-clearing next winter?

Mr. Renouf: I don't know whether I missed what the hon. gentleman stated but I was rather interested to find out whether the minister could tell us what would be the approximate amount which the federal government would contribute to these roads to resources programs on the North-

ern Peninsula, Baie Verte and Bay d'Espoir. What would be the contribution from the federal government?

Mr. Rowe: I wonder would the hon. gentleman ask that question under Capital Account? I might say in answer to the hon. member for Burin, it is very difficult to estimate from one year to another. The year before last I don't suppose the department spent one-quarter the amount on snow-clearing that it had to spend last year and we don't even know yet what this past winter cost. It was such a terrible year. Actually, we are estimating \$500,000 for snow-clearing. We might get by with half that and it might be double if we get another winter like last winter.

Mr. Duffy: Mr. Chairman, I was going to ask the minister to give a brief rundown on the Safety Council of Newfoundland, just what it is doing.

Mr. Rowe: The deputy minister informs me this is an outright grant to the Safety Council of Newfoundland, of which Mr. Arthur Johnson is the well-known head.

Mr. Duffy: I was going to ask about provincial road maps. Is that attributable to the Tourist Bureau?

Mr. Rowe: That is a new map made available to us about a month ago from the publishers. We are distributing it in all ways possible. That is free. We give it to the Tourist Bureau and it is also available to our traffic officers, Motor Vehicle Registration Office and also in the department. Any person coming in or writing in can get a copy of that map.

Mr. Duffy: The minister would not know the cost?

Mr. Rowe: We do not charge for it. They cost us, I am informed, between eight and nine cents each — that would be roughly — we have 100,000 maps —

Mr. J.P. O'Driscoll (Bell Island): I would like to ask about this \$92,000 for ferries. What ferries are covered?

Mr. Rowe: There are, I believe, three fer-

ries that covers: one down at Peter's River, one at St. Paul's. The Placentia Gut Ferry has a revenue against that. This is the gross expenditure but there is a revenue against that.

Mr. Hollett: What is the meaning of the increase.

Mr. Rowe: The actual expenditure last year was almost \$90,000.

Mr. W. Smallwood (Green Bay): This passed before I had a chance to notice — under Registration of Motor Vehicles — I notice there the ordinary automobile licence is \$18 per year. Now, I happen to own a car, and I pay \$18 a year. At the same time, I happen to own a motor cycle, 400 pounds, and I pay \$9 a year for that. Now, Sir, I think there is quite a difference between 400 pounds and approximately 4000 pounds, but I still pay half as much for the licence. I wonder, would the minister consider reducing the fee for motor cycles?

Mr. Rowe: Well, Mr. Chairman, the answer to that is very simple. We in North America, I think, all over have a pretty uniform system of charging for a car, unlike in Europe where they charge for horse power, which explains, I believe, so many Europeans going in for small cars.

Mr. Duffy: I wonder if the minister could tell me if there is a minimum speed limit?

Hon. L.R. Curtis (Attorney General): The minister has the right, under legislation passed last year, to declare a minimum speed, but I never heard of it being done.

Mr. Rowe: The Act provides that the police have the authority to take measures on the highway to see that no one unnecessarily obstructs traffic. Frankly, and speaking personally, I wish they would exercise that authority more than they do. There seems to be a great deal of concern about a man driving 40 miles, whereas one of the great menaces is someone out learning to drive, or an old person in his dotage driving along at 15 miles, with five miles of traffic bogged down.

Mr. Duffy: I think, Mr. Chairman, that is

more important than realized. I have spent the last 10 days living out of town, enjoying the summer. Every morning since I have moved out of town I have come in here behind a line of traffic at 15 to 20 miles an hour. Only this morning it took me twice the time it should normally, according to the speed limits, to get into town. Now that, Sir, in my opinion, could be a greater hazard than speeding because when you get in a long line of traffic and some motorist tries to get out and get ahead he does not have time to approach a safe crossing before a car comes up. If there is legislation covering that very important thing it should be enforced on the highway. If there are police regularly on the highway I have not seen any. It might be their responsibility, but certainly there is no evidence whatsoever that this is considered important. If it were a three-way highway there would be some relief, but with this hopeless two-way highway it is a grave hazard and a great inconvenience. I think, frankly, something should be done about it.

Mr. Rowe: Mr. Chairman, I was stopped myself for driving 35 miles an hour through Kelligrews. I asked about people ahead driving at 15 miles an hour, whom I had to pass, and had to get up to 35 miles an hour to get past.

Mr. W. Smallwood (Green Bay): Mr. Chairman, I would like to draw to the minister's attention, now that school is over, if a driver doing 35 miles an hour went through one of those school zones he would be liable to a fine under the Highway Traffic Act. That is the law, Sir, as it now stands. I might say that several times I have been in a car owned by a member of this House of Assembly driving "around the bay", and calculated once that, if an officer of the RCMP had been following, him he would be liable at least to a \$300 fine on the one trip from here to Carbonear.

Mr. Rowe: These signs on the highway do not say specifically that they apply only to schools when schools are in session. I think it is a matter of common sense there. I must confess when I am driving at nighttime past the Queen of the World School out there I

don't hold it down to that because I know the school is closed.

Mr. W. Smallwood: Mr. Chairman, the signs on the highways, up to about a year ago, used to say: School Zone between certain hours, and spell them out on every sign — between 8:00 a.m. and 5:00 p.m. speed limit is so much. They now just say "School Zone". I go "around the bay" twice a day now, driving 60 miles twice a day. If the school is closed, and it is certainly closed at 5:00 o'clock, after that does the speed limit in the school zone still apply, even at 2:00 o'clock in the morning? Have I then got to slow down in the school zone to 30 miles an hour?

Mr. Rowe: The deputy minister informs me that the "School Zone" has now been tied in with Community Councils. For example: From Topsail Hill (and I did not know this until a Mountie stopped me), from Topsail to Upper Gullies, 10 or 11 miles, there is a continuous zone of 30 miles an hour. Now then, at one time there were the specific school zones. These no longer exist as such.

Mr. W. Smallwood: There are also areas not within communities at all.

Mr. J. Forsey (Humber East): Mr. Chairman, it seems we have gotten on a debate on traffic hazards on the highways. One thing I will say: Thank goodness the department of Highways is putting up larger and much more adequate signs. All these signs — Loading — Road being Graded — Reconstruction — you need two pairs of eyes to pick them out before you pass. If they would only develop larger signs with larger letters so one can see them. Then, Sir, when it comes to minimum speed, it is only going to be successful if enforced. If you are going to have laws it is not good to have laws unless we have the means of enforcing them, and men are needed to enforce Highway Traffic Laws. Why not use a motorcycle patrol? They use them in other parts of the world, certainly in North America. On motion department of Highways carried.

CAPITAL ACCOUNT:

Consolidated Fund Services — carried.
Department of Finance — carried.
Department of Education — carried.

Department of Mines and Resources — carried.

Department of Public Works — carried.

Department of Health — carried.

Department of Public Welfare — carried.

Department of Municipal Affairs and Supply — carried.

Department of Fisheries — carried.

Department of Economic Development:

Premier Smallwood: There is where Rural Electrification comes in — \$500,000 this year. It is only the beginning of the Rural Electrification Program, not the beginning of carrying it out but the beginning of putting it into effect.

Mr. Hollett: When is it going to start?

Premier Smallwood: That I cannot say — I don't know.

Mr. Renouf: That is provincial?

Premier Smallwood: That is entirely provincial.

Mr. Hollett: Where are you going to start?

Mr. Forsey: Cormack — that was promised about seven years ago.

Department of Economic Development — carried.

Department of Highways:

Mr. Hollett: Trans-Canada Highway, I see we are getting over \$5 millions back from Ottawa.

Premier Smallwood: That is the 90 - 10 part. Mostly because it is 90% - 10%.

Mr. Renouf: Would that be the amount I asked about previously, Roads to Resources?

Mr. Rowe: That is 50%.

Premier Smallwood: On the revenue side, half of it comes back. This is the gross expenditure.

Mr. Renouf: That relates to these areas?

Mr. Rowe: Yes, I spelled out yesterday — there may be others later on.

Department of Highways — carried.

Premier Smallwood: Mr. Chairman, that now completes the estimates. As it is now a few minutes to six o'clock, Mr. Chairman, I wonder what would best suit the convenience of the Committee. Would it be to meet again on Monday? All the Committee is now completed on the Budget and Estimates. There will be the Appropriations Bill appropriating this money to Her Majesty, which would call for Royal Assent and a visit from His Honour, the Lieutenant-Governor to this chamber. Then on Monday, at the same time as we have some Bills, I think a half an hour or an hour's work perhaps on these Bills — We might, I think, meet on Monday and invite His Honour to visit us here, say at 5:00 o'clock, to give Royal Assent. That should complete the work of this session, unless, and I repeat, unless events in Ottawa, the National Capital, should make it advisable for the house to be reassembled. I hope that there would arise no such necessity, and I am inclined to think that perhaps there will not. Would that be agreeable to the Opposition — to meet on Monday instead of tomorrow, and try to complete the business of this session? On motion, that the Committee rise, report having passed the estimates and ask leave to sit again. Mr. Speaker returned to the Chair.

Mr. Clarke (Chairman of Committees): Mr. Speaker, the Committee of Supply have considered the matters to them referred and passed estimates under Current Account Expenditure, Department of Public Welfare, Board of Liquor Control, Department of Municipal Affairs and Supply, Department of Fisheries, Department of Economic Development, Department of Labour and Department of Highways. On motion report received, Committee ordered to sit again on tomorrow.

Mr. Clarke: Mr. Speaker, the Committee of Supply also considered matters to them referred and passed estimates of Capital Account Expenditure under the following: Consolidated Fund Services, Department of Finance, Department of Education, Department of Mines and Resources, Department of Public Works, Department of

Health, Department of Public Welfare, Department of Municipal Affairs and Supply, Department of Fisheries, Department of Economic Development and Department of Highways.

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

Premier Smallwood: Mr. Speaker, I move all remaining Orders of the Day do stand deferred, and the house at its rising do adjourn until tomorrow, Monday, three o'clock.

Mr. Speaker, may I extend an urgent invitation to all members of the House, and all servants of the House, to be here on Monday, because there is a proposal that a photograph, a group photograph of the whole house be taken, on the front steps, on Monday afternoon. That may well be the last occasion — Monday may very well be the last occasion in history when this house will meet in this chamber. The next session of the house, undoubtedly, will be in the new Confederation Building, in the handsome new chambers, away up, virtually at the top of the building, on the tenth floor. Ten years, tenth province — tenth floor. If that is so, Sir, and I believe it is, then on Monday, unless there should arise the necessity to have another sitting of the house, Monday would be the last occasion in history on which this house will meet in this chamber. So, Sir, it is obviously a very appropriate time for some group photographs to be taken. The house will have noticed that a considerable number of photographs have been taken during this present week for distribution amongst the members of the press and for the Archives of Newfoundland, showing the statesmen of this province at work, the law-makers making laws. So, Sir, let us complete the process by having some good (and the hon. member for St. John's Centre (Mr. Duffy) still looks a little sourly at me, I can't get him to smile, not for hours past) I hope we will all be here on Monday.

On motion all remaining Orders of the Day do stand deferred, and the house at its rising adjourned until tomorrow, Monday, July 6th., at three o'clock.

Monday, July 6, 1959

(Afternoon Session)

The house met at three o'clock.

Mr. Speaker in the Chair.

GIVING NOTICES

OF MOTIONS:

Hon. M.P. Murray (Minister of Provincial Affairs): Mr. Speaker, with the unanimous consent of the house, I give notice that I will ask leave presently to introduce the following Bills: "An Act To Amend the Shops Act", "An Act Further To Amend the Exploits Valley (Closing Hours) Shop Act", and "An Act Further To Amend the St. John's Shop Closing (Barber and Hairdressers) Act".

ANSWERS TO QUESTIONS:

Question No. 43 tabled. (See Appendix)

Premier Smallwood: While I am on my feet, Mr. Speaker, I beg leave to table the Annual Report of the department of Education and a statistical supplement to the Annual Report. Copies will be distributed to all hon. members.

Hon. J.T. Cheeseman (Minister of Fisheries): Mr. Speaker, I beg leave to table answers to Question No. 42, asked by the hon. Leader of the Opposition.

Hon. F.W. Rowe (Minister of Highways): You will note, Sir, that in accordance with the suggestion made by the hon. the Premier at our last sitting, each member of the house has been presented with an official road map for 1959. These were sent up during the weekend, and I take it that officers of the house distributed them to everybody. I want to say that if there is somebody who did not have one, or any member who would like one or more additional copies all he has to do is let me or the deputy minister of Highways know and we will be glad to furnish a reasonable number of copies at no

charge whatsoever. That goes, I may say, for the general public as well.

Mr. A.M. Duffy (St. John's Centre): Mr. Speaker, is it in order to ask a supplementary question?

Mr. Speaker: On the Orders of the Day.

ORDERS OF THE DAY:

INSTITUTIONAL PURCHASES:

Mr. Duffy: Mr. Speaker, may I ask the hon. minister of Supply, with reference to a question No. 41, to which he was kind enough to give me a prompt reply, regarding purchase of china for the institutions, and he indicated that this is the only suitable line of crockeryware. It has occurred to me, since this runs into a substantial amount of money I wonder if the minister would tell the house what steps have been taken by his department to ascertain from other competitor brands equally suitable, so that that the normal procedure of tenders might be adhered to, possibly to the advantage of the department.

Hon. B.J. Abbott (Minister of Supply): In reply to the hon. member for St. John's Centre, when I took over the department in May 1957 I inquired as to the type of chinaware and was told by the business management of the department that this type was the most superior type of chinaware that could be obtained. Furthermore they want to get two patterns only. For that reason Cassidy who were the sole agent for Ceres China were the only ones to whom we could submit tenders. Now, when a department insists on having a certain quality or certain type of material for the department there is nothing that one can do about it but to accept their request. I have inquired as to other types of chinaware, and several firms have stated that they are prepared to supply chinaware equally as good. However, the department of Health still insists on having that quality, and there is not very much that I can do about it. That is the only reply that I really can give. I would welcome other types of chinaware. I have them in my office, but the department says that type of chinaware is not as substantial as

that supplied by the Ceres people, and they say so from experience. I don't know if that gives the answer or not.

POLIO OUTBREAK:

Hon. Dr. J. McGrath (Minister of Health): Mr. Speaker, I have some information to give the house: I am very sorry to say that over the weekend the first cases of polio for the year have made themselves apparent. We have had a small localized outbreak in New Harbour, Trinity Bay, five cases from there and one case from St. John's, which case was also tied in with the cases at New Harbour and is regarded as the same localized outbreak. One child died, four are presently in the Fever Hospital, two severe, in iron lungs; one case was comparatively mild and did not have to be hospitalized. Everyone will remember the great epidemic of 1953, which had nearly 300 paralytic cases. In 1953 we had a very severe epidemic which went between 250 and 300 cases, and some of these were very, very severe. In the following year we had only about 20 cases. The following year, 1955, there were about 15 or 16 cases. Since then each year there has only been four or five cases, which is comparatively negative. Now we have the beginning of an outbreak early in the season.

I thought it would be a matter of public interest and that I should report it. I don't think there is any need for undue alarm, because in the past five or six years I think nearly 500,000 doses of Salk Vaccine have been given, and most places in the Island have been fairly well covered. However, there is no doubt there are odd places which have not been covered. For instance while a clinic was established in New Harbour and everybody had an opportunity to get Salk Vaccine, none of these particular cases have been vaccinated — none. We have every reason, from what has happened in other countries, to have complete confidence in the effect of Salk Vaccine. However, polio in children is such a serious matter that I thought this would be a matter the house would care to know about. Of course, parents who have not had their children vaccinated certainly carry a great responsibility for not doing it when it was made available for a number of years past. Every precau-

tion has been taken in regard to the outbreak in New Harbour. All contacts there have been given gamma globulin to protect against the outbreak, and some filthy conditions there that might have been contributory to the outbreak, (a sort of public latrine, with fleas and rats) have been rectified. That, of course was pulled down and completely burned and destroyed. We hope that perhaps that outbreak may remain limited, as it is now.

Premier Smallwood: Mr. Speaker, before the hon. minister finishes, would he make it very clear to the house what I understood him to say, i.e. that the six cases of polio in New Harbour are of children who have never received the Salk Vaccine. Would he also say what is the case with regard to the child, if it is a child, who has contracted polio here in St. John's as a result of contact with the cases in New Harbour. I am anxious that this should be done in the simplest possible form to the general public of Newfoundland. Would he make it very clear to the house what his feelings is about the children who have been vaccinated, those who have been vaccinated twice and those, if there are any, who have been vaccinated three times.

Dr. McGrath: Yes, Mr. Speaker — All six cases were children, and the contact I spoke of, which had come to our attention in St. John's had, I understand, been in New Harbour and in close contact with other children in New Harbour and did develop the disease. Now with regard to the protection given by the Salk Vaccine: Of course no vaccine protects 100%. Some few people are unfortunately so constituted they cannot receive benefit from even the most powerful vaccine, some small proportion who may and sometimes do contact the disease. However, in the United States, where they are dealing with millions of population, it has been found that Salk Vaccine is somewhere between 85% and 90% effective. This of course, is a tremendous gain, and as most of the children in Newfoundland have been protected now — not all because, of course, the practical difficulty of vaccinating every child is insurmountable. It is sometimes not possible, with a dearth of staff to call on every little isolated cove in Newfoundland — but most of Newfound-

land has had the opportunity, and I say everybody has had the opportunity because, of course, the vaccine can be received from any medical health officer anywhere, on application of the parent. Of course it has not been possible to visit every single child in Newfoundland. The duty still remains with the parent to make some effort to get children protected. In these cases, there was no bar to the children getting the protection. The protection is very effective. I think there has been a very large proportion of the children of Newfoundland already protected — So that Sir, I say this epidemic may remain limited.

Any other questions anybody would like to ask I would be glad to answer. I know everyone is much concerned. In St. John's the Child Welfare Nurses have been carrying out the program, vaccinating every new-born child. I think that program has been very largely complete in the sense that very few new-born children in St. John's have not received the vaccination. As you know, because of geographic conditions, such a program is impossible all over the country, but there is no area where a mother applying for vaccination cannot secure it, with of course a greater amount of trouble in isolated places.

Premier Smallwood: Is it contagious or infectious?

Dr. McGrath: We do not use the term "contagious" and "infectious" as a differential any more, but simply — "Communicable". It can be passed on through fleas and rats. While the exact methods of dissemination are not known, impure water supplies and contamination usually produce it. It usually only attacks those susceptible. For instance, 25% of children may have had polio, judging from the histories we have been able to get. That is, of course, an informed guess but nevertheless not capable of proof. Usually at the time where there is polio prevalent, the majority of the public in any community is likely to be harbouring the germ but a comparatively small number of people succumb to it. Most of us have been exposed to polio at some time in our life with no ill-effects for us, and it is in younger children that it is most prevalent. Adults, of course, get it and sometimes have been

some of our worst cases, but an adult is comparatively safe.

Hon. F.W. Rowe: I wonder if the hon. minister could inform us if, once a child has contacted polio is it then of any use to administer the Salk Vaccine, after that point?

Dr. McGrath: No, once a child contacts polio and paralysis shows up there is no benefit from the vaccine, but in a case of an epidemic, children who have not yet developed it can receive some protection by immediate vaccination, not nearly so much as if they had received it a year ago. But immediate contacts are given gamma globulin, which gives a short term protection, to carry them through such an epidemic. There is not enough gamma globulin to do the whole population because of the limited amount available. It has to be limited to those known to be in direct contact.

Mr. G. Nightingale (St. John's North): The minister said it was due to unsanitary conditions in many cases. Is anything being done to clean up these unsanitary conditions in these outports?

Dr. McGrath: Yes. In this particular case the unsanitary conditions were immediately dealt with — and there are nurses there today giving gamma — globulin to the children who have been in contact with these other children. But everyone realizes the department of Health cannot correct all the unsanitary conditions created by people all over Newfoundland. We can, of course where we find these things and where we find persons responsible for them, but certainly we could not take the responsibility for cleaning up all unsanitary conditions in Newfoundland.

Mr. Nightingale: They could never do that, Sir.

Mr. Rowe: Mr. Speaker, I wonder if I could speak on a matter of privilege — it is not very important perhaps. In the course of our consideration of our estimates in committee on Friday afternoon, I made two or three comments here regarding the speed limits on the highway, and unfortunately one of the references was somewhat mis-

reported by just one source and as a result there has been some misunderstanding.

I was reported to have said that we have now declared the area, the stretch of highway from Topsail Hill to Upper Gullies to be a 30 mile zone limit. I did not make that statement at all. I do not know when that stretch of highway was declared a 30 mile zone limit. I was stopped there a year and a half ago by a Mountie who informed me the entire stretch was a 30 mile limit. The impression given was that we had done that in recent days. I think I am responsible for deciding speed limits, but I have not yet dared to interfere in any way with the established policy, whenever it was established. Several persons have taken it upon themselves to contact me by phone and otherwise, and apparently the misconception is that we have done that within the last few days. I don't know when it was done. I want to make it clear to the house, and to the public as well, that there has been no change in Newfoundland, to my knowledge, in at least a year. Mr. Speaker, I do not want to raise any debate at the present time on speed limits but merely want to correct the misconception which arose out of the reporting of my statement.

On motion that the house go into Committee of the Whole on Ways and Means, Mr. Speaker left the Chair.

Mr. Jones took the Chair as Chairman of Committee of Ways and Means:

Resolution — "That it is expedient to introduce a measure to provide for the granting to Her Majesty For Defraying Certain Expenses of the Public Service for the Financial Year ending the 31st Day of March, 1960, the further sum of sixty-nine million three hundred and twenty-seven thousand four hundred dollars (\$69,327,400) in addition to the sums of ten million seven hundred and eighty thousand dollars (\$10,780,000) and two million seven hundred and forty thousand dollars (\$2,740,000) authorized by the Acts Nos. 6 and 44 of 1959."

On motion that the Committee rise and report having passed resolutions, Mr. Speaker resumed the Chair.

Mr. Jones: Mr. Speaker, the Committee of Ways and Means have considered certain Resolutions and passed same and recom-

mends that a Bill be introduced giving effect to same, and asks leave to sit again.

On motion report received.

On motion Resolutions read a first time.

On motion Resolutions read a second time.

On motion, A Bill, "An Act For Granting To Her 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 Sixty and for Other Purposes Relating to the Public Service," read a first time.

On motion Bill read a second time.

On motion Bill read a third time. Ordered passed and Title to be as on the Order Paper.

LEGISLATION: 2ND. READING:

ST. JOHN'S SHOPS ACT:

Second Reading of a Bill, "An Act Further To Amend the St. John's Shops Act."

Mr. A.M. Duffy (St. John's Centre): Mr. Speaker, I wonder if I might ask the minister of Provincial Affairs — what about the inspectors?

Mr. Speaker: If the hon. minister speaks now he will conclude the debate. I beg your pardon! I am informed the hon. the Attorney General moved the debate.

Mr. J.D. Higgins (St. John's East): Mr. Speaker, I don't think there is any measure of disagreement on this. We have no substantial disagreement on this Bill. I do recall that some two years ago there was a Select Committee of this house appointed to go into this very matter, and at that time certain representations were made by certain interested groups, amongst them being the clerks union, retail clerks union and also the Newfoundland Federation of Labour and certain sections of the Board of Trade. Now my impression was, at that time, that insofar as the clerks and the labour movement generally (I say this subject to correction) were concerned, they were anxious for the 40 hour, five day week, without the legislation enacting any specific day.

Premier Smallwood: Without the legislation naming the day?

Mr. Higgins: Yes. And the legislation which is being brought in now very largely, in my opinion, achieves the result which was sought at that time. Now, since this thing was brought up this time, there seems to have been some peculiar misunderstanding. I have no brief for the Leader of this house, but the statement appeared in print that this is a "pay-off" to Water Street or a "pay-off" to somebody else. I don't know that there is anything that was done which required a "pay-off". I really believe this legislation brought forward is in good faith. But, now that the question has been raised in this house as to just why the legislation is revived at this time, it might be well, Mr. Speaker, that we could put an end to any uncertainty, if the minister in replying could indicate, if he feels so inclined, what is the reason for it.

Hon. M.P. Murray (Minister of Provincial Affairs): Well, Mr. Speaker, my recollection of the representations made to the Select Committee at the time are exactly the same as those of the hon. member who just sat down. We did receive the labour bodies and representatives of various bodies all over Newfoundland — the Board of Trade, Retail Clerks Association, Federation of Labour, and we had numerous correspondence from other bodies outside St. John's like the Exploits Valley Shop Closing Association, representatives from Corner Brook and the shopkeepers on Bell Island. I think, as the hon. member who just sat down said, the bone of contention principally seems to be the 40 hour week, but certainly there never was any unanimous agreement as to any particular day. As a matter of fact we were told by, I think, some representatives of labour that in view of the fact that labour was so well organized and because of the Labour Relations Act, they did not want a bargaining point and preferred not to have a day named, but preferred to have it left open for negotiations with the employers. And along these lines of representation, the report of that Select Committee which was brought into this house recommended a waiting period of two or three years. But there seemed to be general dissatisfaction with the matter as it stood, and the biggest argument used seemed to be proven very conclusively, that Saturday closing was affecting trade, and various or-

ganizations and firms in St. John's were prepared to bring in balance sheets to prove conclusively that Saturday closing was proving to be detrimental to their business and was the cause of a great deal of employment as well — That is the principle motive for this legislation at the present time.

Mr. Nightingale: Mr. Speaker, I do know, being a member for St. John's North, there are certain classes who feel they are being let down in this particular legislation. I am a member of the National Safety Council also. School children have always been off on Saturday and we will always have them off on Saturday. Now if we change the holiday to Monday, should we not change the holiday from school to Monday, so that Dad could take the youngsters and get them off the city streets? Dad and the children should be off together. Dad is working Saturday and the youngsters are off on Saturday, and where do they go? Right on the street. I don't think enough thought has been given to this thing.

Premier Smallwood: Mr. Speaker, before the debate closes, the hon. and learned Member for St. John's East has made just a passing reference to something that appeared in the newspapers in the last day or two and was heard on the radio, with regard to this legislation; something, he said, that suggested that this legislation is brought forward now for reasons and motives that are not very respectable and very admirable. Now I don't propose to pay any attention to that comment to which my hon. and learned friend refers. I do not mean the comment my hon. friend made, but the comment to which he referred — the comment in the press. I think, Sir, it would be a mistake for the people's house, which represents virtually half a million, certainly every living soul in this province — between us all, on both sides of the house, we represent all the people of Newfoundland, and as such, I think, it would be a very mistaken thing for us to pay any attention to the spokesman of gangsters, to the spokesman and defender of gangster unionism — the very outspoken defender, unashamed and shameless defender of union gangsters and gangster union. Why should the sovereign legislature of Newfoundland pay any attention to the wild and mad mutterings of the

representatives and the spokesmen of gangsters?

On motion Bill read a second time, ordered referred to a Committee of the Whole House presently.

LEGISLATION: SHOP CLOSING:

First Reading of Bill, "An Act To Amend The Shops Act."

On motion Bill read a first time, ordered read a second time now, by leave.

On motion Bill referred to a Committee of the Whole House presently, by leave.

First reading of Bill, "An Act Further To Amend the Exploits Valley (Closing Hour) Shops Act." On motion Bill read a first time.

On motion Bill read a second time, by leave.

On motion Bill referred to a Committee of the Whole House presently, by leave.

First reading of Bill, "An Act Further To Amend the St. John's Shop Closing (Barbers and Hairdressers) Act — On motion Bill read a first time, ordered read a second time now, by leave. On motion Bill referred to a Committee of the Whole House presently, by leave.

Mr. Speaker: The house will note that in each of these three Bills, leave has been given for them to be referred to a Committee of the Whole House presently.

Mr. Murray: Mr. Speaker, I propose to give a word of explanation as to what the three Bills mean. We have just been considering the St. John's Shop Closing Act. Now there are three other pieces of legislation.

Mr. Speaker: The hon. minister is now making a motion that the house go into Committee on all four bills?

Mr. Murray: On the St. John's Shops Closing and these three others, which as I say, are pieces of legislation, presently on the books, which deal with shop-closing in Newfoundland. The Exploits Valley Bill, of course, deals with its own area. There are shop-closing acts dealing with areas in Newfoundland other than St. John's. The barbers and hairdressers, of course, applies to that particular trade.

Now, the Premier, in his announcement a few days ago, made it quite clear, I think,

that there were to be in all Newfoundland 12 holidays which would apply generally across the province. And, Sir, it is to make these holidays applicable to areas outside St. John's that this legislation is brought in. The St. John's Shop Closing Act, of course will have these holidays, and in addition, the St. John's Shop Closing Act deals with the 40 hour week and one other shop-closing day. There seems to be quite a bit of misunderstanding in the press, as far as I can gather. There seems to be an impression that if shops are given a 40-hour week, the shops could be kept open six days. The idea seems to be in the press that, providing the shop assistants are not employed for more than 40 hours a week, shops could keep open for six days a week by staggering their staff. That is an impression I would like to correct as it is entirely erroneous. The idea of the legislation is that every shop in St. John's will close on Sunday and one other day of the week, i.e. two days out of seven days; the day to be fixed is, of course, between employees and employer. I thought it was just as well to correct that impression, which one gathers from the press.

Premier Smallwood: If the hon. gentleman would allow me? — Is he saying this — that the shops must be closed on Sunday and of the other six days they must be closed one, which one day will be selected between the clerks and shop owners.

Mr. Murray: Yes.

Hon. L.R. Curtis (Attorney General): Mr. Speaker, might the house go into Committee on items No. 3, 4, and 5 at the same time?

Mr. Speaker: Yes, that is that Bills nos. 70, 82 and 86 will be considered at the same time.

On motion that the house go into Committee on various bills, Mr. Speaker left the chair.

Mr. Jones took the Chair as Chairman of Committee of the Whole.
Committee of the Whole on Bill, "An Act Further To Amend the Highway Traffic Act." Bill No. 70.

Mr. Curtis: Mr. Chairman, in connection with clause 4, as the sub-committee recommends, I move we strike out the words at the

foot of the page "for misconduct" or add the words in 2(a) Section 221 "for an offence under" — And then sub-section (1) or (2) of sub-section (1) That comes out so that it will read now — "Commits an offence under Section 226 or Section 218 of the Criminal Code." On motion clauses (1) through (4) carried.

Mr. Curtis: Mr. Chairman, I move that Clause 5 be cut out altogether, the whole of clause 5:

Motion, that clause 5 be deleted, carried; and the following clauses be renumbered — Carried: Clauses (6) through (10) carried: (as renumbered) Motion, that the Committee report having passed this Bill with some amendments. Carried:

Committee of the Whole on Bill, "An Act To Amend the Standard Time (Newfoundland) Act."

Motion, that the Committee report having passed this Bill without amendment. Carried:

Committee of the Whole on Bill, "An Act To Amend the Department of Education Act."

Motion, that the Committee report having passed this Bill without amendment, carried.

Committee of the Whole on Bill, "An Act To Amend the Public Utilities Act."

Motion, that the Committee defer consideration of this Bill, carried.

Committee of the Whole on Bill, "An Act To Amend the St. John's Shop Closing Act." On motion Clauses (1) and (2) carried.

Mr. Curtis: Mr. Chairman, there are some amendments in the Schedule: "Easter Monday" comes out. "St. Patrick's Day" goes in (March 17), St. George's Day (April 23) and July 12, go in, and "Thanksgiving Day" comes out, and January 1, March 17, April 23, and July 12 is the order in which they appear. In clause 3 the same changes go in.

On motion clause 3 as amended carried.

On motion clauses 4 through 7 carried.

On motion Schedule as amended carried.

Motion that the Committee report having passed this Bill with some amendment, carried.

Committee of the Whole on Bill, "An Act To Amend the Shops Act."

Motion that the Committee report having

passed this Bill without amendment, carried.

Committee of the Whole on Bill, "An Act To Amend the Exploits Valley (Closing Hour) Shops Act."

Motion, that the Committee report having passed this Bill without amendment, carried.

Committee of the Whole on Bill, "An Act To Amend the St. John's Shop Closing (Barber and Hairdresser) Act."

Motion, that the Committee report having passed this Bill without amendment, carried.

On motion that the Committee report having passed this Bill, Mr. Speaker resumed the Chair.

Mr. Jones: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report having passed the following Bills without amendment:

A Bill, "An Act To Amend the Standard Time (Newfoundland) Act."

A Bill, "An Act To Amend the Department of Education Act."

A Bill, "An Act To Amend the Shops Act."

A Bill, "An Act Further To Amend the Exploits Valley (Closing Hours) Shops Act."

A Bill, "An Act Further To Amend the St. John's Shop Closing (Barbers and Hairdressers) Act."

On motion report received, Bills ordered read a third time presently, by leave.

Mr. Jones: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report having passed the following Bills with some amendments and asks leave to sit again.

A Bill, "An Act Further To Amend the Highway Traffic Act."

A Bill, "An Act Further To Amend the St. John's Shops Act."

On motion report received, Bills ordered read a third time presently, by leave.

Third Reading of a Bill, "An Act To Amend The Standard Time (Newfoundland) Act."

On motion Bill read a third time, ordered passed and title to be as on the Order Paper.

Third Reading of a Bill, "An Act To Amend the Department of Education Act."

On motion Bill read a third time, ordered passed and title to be as on the Order Paper.

Third Reading of a Bill, "An Act to Amend the Shops Act." On motion Bill read a third time, ordered passed and title to be as on the Order Paper.

Third Reading of a Bill, "An Act Further To Amend the Exploits Valley (Closing Hours) Shop Act." On motion Bill read a third time, ordered passed and title to be as on the Order Paper.

Third Reading of Bill, "An Act Further To Amend the St. John's Shop Closing (Barbers and Hairdressers) Act." On motion Bill read a third time, ordered passed and title to be as on the Order Paper.

Third Reading of Bill, "An Act Further To Amend the Highway Traffic Act."

On motion Bill read a third time, ordered passed and title to be as on the Order Paper.

Third Reading of Bill, "An Act Further To Amend the St. John's Shops Act."

On motion Bill read a third time, ordered passed and title to be as on the Order Paper.

BILL WITHDRAWN:

Mr. Curtis: Mr. Speaker, that completes the Order Paper except for Item No. 6.

Second Reading of a Bill, "An Act Further To Amend the Public Utilities Act." (No. 85) I would ask consent, Mr. Speaker, of the house to withdraw this Bill. On motion and by consent of the house Bill. No. 85 withdrawn.

Premier Smallwood: Mr. Speaker, I would suggest a recess until just before five o'clock. I believe that His Honour the Lieutenant-Governor will come at 5 P.M. to give Royal Assent to the Bills that have not as yet received that assent. In the meanwhile we could all go to the front of the building. The photographers are anxious to take pictures of the members of the house together with all the servants of the house. If I did not say so specifically before, that includes the stenotypist. We could go now during the recess, straightway to the front of the building for the photographers and then we could have our customary cup of tea and be back in here promptly some four or five minutes before 5 p.m. to be in our places before His Honour, the Lieutenant-Governor arrives.

Mr. Speaker: Order! I might take this opportunity of informing hon. members that volume 1 and 11 of 1954 Hansard can be obtained in the Clerk's office. On motion that the house recessed until 4:55 at which time Mr. Speaker resumed the Chair.

ROYAL ASSENT:

Sergeant-at-Arms: Mr. Speaker, I have the honour to inform you that His Honour, the Lieutenant-Governor has arrived to give Royal Assent to certain Bills. His Honour, the Lieutenant-Governor took the Chair.

Mr. Speaker: Your Honour, it is my agreeable duty on behalf of Her Majesty's dutiful and loyal subjects, Her Faithful Commons in Newfoundland, to present to Your Honour Bills for the appropriation of Supply Granted in the Present Session.

A Bill, "An Act For Granting To Her 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-Nine and For Other Purposes Relating To The Public Services."

A Bill, "An Act For Granting To Her 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 Sixty and For other Purposes Relating To the Public Service."

His Honour the Lieutenant-Governor: In Her Majesty's Name I thank Her Loyal Subjects, I accept their benevolence and assent to these Bills.

Mr. Speaker: May it please Your Honour, the General Assembly of the province has at its present session passed certain Bills to which, in the name and on behalf of the General Assembly, I respectfully request Your Honour's Assent.

A Bill, "An Act Further To Amend the Public Libraries Act."

A Bill, "An Act Further To Amend The Trustee Act."

A Bill, "An Act Further To Amend the Local Government Act, 1956".

A Bill, "An Act To Amend the Pharmaceutical Association Act, 1944."

A Bill, "An Act To Amend The Newfound-

land Medical Board Act."

A Bill, "An Act To Amend the Health and Public Welfare Act."

A Bill, "An Act Respecting The Appointment and Powers of the Nomenclature Board."

A Bill, "An Act Further To Amend the Memorial University (Pensions) Act."

A Bill, "An Act To Approve And Give Statutory Effect to An Agreement Between The Government and Advocate Mines Limited."

A Bill, "An Act To Amend the M. James Boylen (Confirmation of Agreement) Act, 1955".

A Bill, "An Act Further To Amend the Food and Drug Act."

A Bill, "An Act Further To Amend the Wild Life Act."

A Bill, "An Act To Amend The Assessment Act, 1958."

A Bill, "An Act To Amend The Notaries Public Act, 1957".

A Bill, "An Act Further To Amend the Life and Accident Insurance Agents (Licensing) Act".

A Bill, "An Act To Validate Assessments Made in the Towns of Harbour Grace, Placentia and Freshwater."

A Bill, "An Act Further To Amend the Welfare of Children Act."

A Bill, "An Act To Amend the City of Corner Brook Act, 1958."

A Bill, "An Act Respecting the Payment of Bounties on the Construction of Coasting Vessels."

A Bill, "An Act To Amend and Consolidate the Law Respecting Boilers, Pressure Vessels and Pressure Plants."

A Bill, "An Act Further To Amend the Corrections Act."

A Bill, "An Act Further To Amend the Accident Insurance Companies (Licensing) Act."

A Bill, "An Act To Provide For the Use of Sound Recording Machines For Taking and Recording Evidence."

A Bill, "An Act Further To Amend the Crown Lands (Mines and Quarries) Act."

A Bill, "An Act Further To Amend the Local School Tax Act, 1957."

A Bill, "An Act Further To Amend the Frobisher Limited (Confirmation of Agreement) Act, 1955."

A Bill, "An Act Further To Amend the Memorial University Act."

A Bill, "An Act Further To Amend The Education (Teachers Pensions) Act."

A Bill, "An Act To restrict Travelling Through Forest Lands."

A Bill, "An Act To Amend the Unimproved Lands (Redistribution) Act, 1957."

A Bill, "An Act Further To Amend the Urban and Rural Planning Act, 1953."

A Bill, "An Act To Provide For the Development of Housing Accommodation."

A Bill, "An Act Further to Amend the Industries Act."

A Bill, "An Act Further To Amend the Labrador Railway Act, 1948."

A Bill, "An Act Further To Amend the Apprenticeship Act."

A Bill, "An Act Further To Amend The Loan and Guarantee Act, 1957."

A Bill, "An Act To Authorize the Government of Newfoundland to Enter Into An Agreement With Newfoundland Cement Company Limited and North Star Cement Limited."

A Bill, "An Act To Authorize The Government of Newfoundland to Enter Into An Agreement with Mr. James Boylen."

A Bill, "An Act Further To Amend the Automobile Insurance Act."

A Bill, "An Act Further To Amend the City of St. John's Act."

A Bill, "An Act To Authorize the Government of Newfoundland to Enter Into An Agreement With McNamara Construction of Newfoundland Limited and Canadian Machinery and Industry Construction Limited."

A Bill, "An Act Further To Amend The Companies Act."

A Bill, "An Act Further To Amend the Education Act."

A Bill, "An Act Further To Amend the Vocational Education Act."

A Bill, "An Act To Amend the Expropriation Act, 1957."

A Bill, "An Act Further To Amend The School Attendance Act."

A Bill, "An Act To Repeal the Fire Loss Returns Act."

A Bill, "An Act To Amend the Local Road Boards Act."

A Bill, "An Act To Amend The Workmen's Compensation Act."

A Bill, "An Act Further To Amend the Crown Lands Act."

A Bill, "An Act Further To Amend the Civil Service Act."

A Bill, "An Act To Amend The Loan Act, 1958, Assented To On the Tenth Day of September, 1958, and to Validate Certain Debentures of the Province."

A Bill, "An Act Further To Amend the Local Authority Guarantee Act, 1957."

A Bill, "An Act To Provide For the Construction of Additional Buildings and Improvements For the Use of the Memorial University of Newfoundland."

A Bill, "An Act Further To Amend The Revenue and Audit Act."

A Bill, "An Act To Amend the Summary Jurisdiction Act."

A Bill, "An Act To Amend the Conditional Sales Act."

A Bill, "An Act To Amend the Standard Time (Newfoundland) Act."

A Bill, "An Act Further To Amend the Highway Traffic Act."

A Bill, "An Act Further To Amend the St. John's Shops Act."

A Bill, "An Act Further To Amend the Department of Education Act."

A Bill, "An Act Further To Amend the St. John's Shops Closing (Barbers and Hairdressers) Act."

A Bill, "An Act Further To Amend the Shops Act."

A Bill, "An Act Further To Amend the Exploits Valley (Closing Hours) Shops Act."

A Bill, "An Act To Amend and Consolidate the Law Respecting the Operation of Saw Mills."

A Bill, "An Act Relating To Historic Objects, Sites and Records."

His Honour the Lieutenant-Governor: In Her Majesty's Name, I assent to these Bills. His Honour the Lieutenant-Governor left the Assembly Chamber.

Mr. Speaker resumed the Chair.

Mr. Speaker: I have to inform the house that at approximately 4:45 this afternoon, His Honour, the Lieutenant-Governor was present in this chamber and did give the Royal Assent to certain Bills.

Premier Smallwood: Mr. Speaker, I move that all remaining orders of the day be stricken from the Order Paper. On motion all remaining Orders of the Day are stricken from the Order Paper.

ADJOURNMENT: TO CALL

OF THE CHAIR: (TERM 29):

Premier Smallwood: Mr. Speaker, I move that the house do now adjourn to the call of the Chair, i.e., to the call of Your Honour. My reason for so moving is that we should not, in my opinion, have a prorogation of the legislature at this time. Now that the normal business of the house is concluded, the normal procedure would be for the Lieutenant-Governor to prorogue the legislature thereby bringing to a final end this present session of the General Assembly. It does not appear to be sound to follow the normal procedure at this time. What does appear to be sound is to adjourn the house to the Call of the Chair so that Your Honour can call the house together again in the present session, in case the necessity and the desirability of so doing should arise.

Now, whether it will appear to be desirable I do not know. We are all aware of the fact that the minister of Finance in the Government of Canada has given formal notice of introducing a money Resolution into the Parliament of Canada. That is to take place one week from today. That Resolution will, of course, precede the introduction of a Bill, a money Bill. Money Bills have to be introduced by way of Resolutions. The Resolution that will come in on Monday next is merely by way of presenting a money Bill, which presumably will come in on the following day, Tuesday. On that day, the copy of the Resolution is already tabled in the House of Commons but it gives no indication whatsoever of anything more than the fact that it is expedient, as it says, to introduce a Bill to pay a certain subsidy to the Government of Newfoundland. The Bill itself, when it is introduced will state the amount and will state the terms and conditions under which it is given. When that is done, presumably a week from tomorrow, we will all know what Newfoundland's fate is, so far as the Parliament of Canada is concerned or involved. We will then know whether there is any necessity to call the house together. If it could be left in Your Honour's hands to determine when the house will be called together again I think we would be serving the public interest. Your Honour might call the house together

merely for the purpose of having the legislature prorogued, or it might be for the purpose of enabling the house to consider the situation created by the legislation that is to come before the Parliament of Canada. We do not know which it will be — I suggest, Sir, that in adjourning now we adjourn to the Call of the Chair.

Mr. Speaker: It is moved and seconded that this house do now adjourn to the Call of the Chair. I may say, in putting the motion, it is quite in order, according to Sir Erskine May, who is the authority on such matters. On motion the house at its rising adjourned to the Call of the Chair.

Monday, July 20, 1959

Afternoon Session

The house met at three o'clock pursuant to adjournment on July 6th.

Mr. Speaker in the Chair.

Mr. Speaker: There are no Orders of the Day:

RESOLUTION: TERM 29:

Hon. J.R. Smallwood (Premier): Mr. Speaker, with the consent of the house — and of course that means especially the consent of the opposition — I would like to have the rule, which requires that notice be given of any motion or resolution, waived so that I can proceed now to move a Resolution in the house. The rule would require that I give notice of it today and introduce the Resolution tomorrow. If we follow that normal procedure we would adjourn in the next five minutes and come back tomorrow to debate the resolution. But, Sir, if my hon. friends opposite are agreed we could waive the rule and proceed with the Resolution now.

Mr. Speaker: It is agreed by unanimous consent of the house, that the Premier be allowed to move this resolution?

Hon. M.M. Hollett (Leader of the Opposition): Not agreed.

Mr. Speaker: It must be unanimous, according to our own standing orders. It is not agreed. The hon. Leader of the Opposition has not agreed to this motion, in which case the Premier can move the adjournment of the house.

Premier Smallwood: Mr. Speaker, it goes without saying I regret very much that the Leader of the Opposition does not see his way clear to agree to the procedure I suggested. As however he has exercised his constitutional right to disagree, and we are very anxious to preserve the sanctity of constitutional rights, I bow to his decision and so move to give notice that I will on tomorrow beg leave to move the following Resolution:

"This house affirms the following statements of facts."

(1). Term 29 is an indispensable part of the terms under which Newfoundland abandoned her ancient and honourable independence within the British Commonwealth to become a Province of Canada;

(2). Term 29 was accepted and adopted by the Parliament of Canada, the Parliament of the United Kingdom, and the duly-constituted authority of Newfoundland;

(3). Term 29 is embodied in the British North America Act, forms part of the Constitution of Canada, and by Canadians in general, and Newfoundland in particular, must be considered to be as sacred as any other clause of the Constitution;

(4). As Term 29 forms part of the Terms of Union, which Terms were negotiated and signed by Canada and Newfoundland jointly, no change should be made in it except by joint decision of Canada and Newfoundland through their properly constituted authorities, and Newfoundland's rights under this Term should not be ended, amended or reduced without Newfoundland's consent freely made and freely given;

(5). Term 29 provides for the continuation of Newfoundland's public services as they were found to be when the McNair Royal Commission made its report and recommendations. This continuation of the Province's public ser-

vices is to be paid for by the Government of Canada, after the people of Newfoundland have borne to the Government of Newfoundland at least as great a burden of taxation, having regard to their capacity to pay, as the people do in the nearby Maritime Provinces; and this is to be done without qualification, and without limit of time;

(6). Term 29 is not for the purpose of dealing with the matter of making Newfoundland's public services as good as those of the Maritime or any other Provinces, but deals only with the continuation of Newfoundland's public services as they were found to be by the McNair Royal Commission;

(7). Term 29 is not for the purpose of providing for any improvement in the levels and standards of Newfoundland's public services, as they were found by the McNair Royal Commission, but only with their continuation;

(8). Term 29, and its strict and honourable enforcement, does not, and was not intended to, deprive Newfoundland of any grants or other forms of assistance made generally available to all or any number of the other provinces of Canada, and does not in any sense or degree reduce Newfoundland's general rights as a province of Canada.

This house notes with deep regret that the present Government of Canada, through the announcement of the Prime Minister, and the legislation recently enacted, have without the consent of this house or of the government of this Province, decided that the sacred rights provided by Term 29 shall become null and void after 1962.

This house affirms its deep loyalty to the union of our two countries (Canada and Newfoundland), to the terms of that union as they are written into the Constitution of Canada, and in particular to the rights solemnly provided for Newfoundland in this Term. We cannot regard any legislation unilaterally adopted by the Parliament of Canada, or any oral or even written assurances of individual ministers of the Government of Canada, as a substitute for Canada's Constitution itself. As the elected representatives of the people of Newfoundland we will strive by all proper means to procure in

the Parliament of Canada, which is our national Parliament, the unequivocal acceptance of Term 29 as a solemn and abiding guarantee of the rights of Newfoundland, for which there can be no substitute. Our rights have been invaded by the Government of Canada, and we will not cease our resistance until these rights have been fully restored.

Mr. Speaker, I give notice that I will on tomorrow move that Resolution.

PERSONAL PRIVILEGE:

J.D. Higgins quits P.C.'s.

Mr. J.D. Higgins (St. John's East): Mr. Speaker, I wish to be heard on a matter of privilege:

Mr. Speaker: The hon. member can be heard on a matter of personal privilege. This Resolution cannot be discussed today.

Mr. Higgins: Mr. Speaker, I have no intention to infringe on the Resolution but with your indulgence, Mr. Speaker: Last week certain legislation was enacted in the house of Commons in Ottawa, and, as the Premier and the Lader of this house has intimated, certain steps are contemplated to meet that situation.

Mr. Speaker, I have been a member of the Conservative Party in Newfoundland since Confederation. I have supported that party and its policy through years of political adversity, supported it because of its announced intentions to give to Newfoundland the best possible treatment that could be accorded her within the family of Confederation. In the two general elections which witnessed the advent to power of the present federal Government I played my part on the local scene as best I could. The friendships formed during these years and the loyalty engendered during that time are not lightly discarded.

But, Mr. Speaker, there comes a time when party loyalty must take second place to public interest. There comes a time when personal advantage must be sacrificed for a principle. For me, Sir, that time has come. Feeling as I do, I cannot in honour continue as a member of the Progressive Conservative Party. I must, therefore, leave that party. I do not however intend, at least of my own volition, to retire from public life. I

believe, and I hope that this belief is shared by many of my fellow Newfoundlanders, that the time has arrived for the emergence of a party dedicated to the interest of Newfoundland.

Hon. M.M. Hollett (Leader of the Opposition): To a point of order, Mr. Speaker — A Resolution has been introduced — I feel I cannot, as Leader of the Progressive Conservative Opposition of the House, allow any political speeches to be made. Please rule on that, Mr. Speaker!

Premier Smallwood: Mr. Speaker, may I speak to that Point of Order raised by the hon. Leader of the Opposition. All that has happened in this house, to this moment, is that I asked unanimity in my request that the rules be waived so that I might move that Resolution today. The hon. Leader of the Opposition objected and unanimity was not secured and I was reduced to the position of giving Notice of Resolutions. I have done that. Now, that having been disposed of for today, tomorrow I will speak to it, and presumably a debate will take place. But, Sir, that has not been done. The matter is disposed of for today, the matter of my Resolution of which I have given notice.

Mr. Hollett: Right!

Premier Smallwood: Now the hon. and learned member for St. John's East rose to a Point of Personal Privilege, which, of course, it is his eminent right to do. He is now stating his Point of Privilege, to which there can not possibly be any legal nor constitutional objection. So my contribution to the Point of Order, Mr. Speaker, is that the Point of Order is not validly taken and Your Honour ought to rule it out of order. Your Honour of course, will follow Your Honour's own opinion.

Mr. Hollett: Mr. Speaker, if I may?

Mr. Speaker: Order!

Mr. Hollett: I would like to have order, Mr. Speaker. If I may, I would suggest, if my hon. and learned friend on my left, the member for St. John's East, would like to make a statement, okay! But he cannot do that from the opposition benches, from the

"PC" opposition benches. He must remove his seat if he wants to make a statement like that. I was talking to Mr. Speaker — Have I the floor, Mr. Speaker?

Mr. Speaker: To that Point of Order I do not agree. I fear I cannot agree.

Mr. Hollett: I would not expect you to.

Mr. Speaker: Order! There must be no interruptions from the strangers on the floors of the house. There must be absolute silence, Please.

Premier Smallwood: Of course, Mr. Speaker! As the Opposition Leader does, so I concur completely in Your Honour's remarks. The only people entitled to be heard on this floor are those of us present, those of us who have been elected to come here. Anyone else who comes in, although a sovereign citizen, once inside the walls of this chamber of elected representatives is just a stranger. For 1000 years of visitors, no matter who they were or how respected in the community at large, are only strangers — and perhaps with quotation marks around the word "strangers" when they come in here.

I was about to say that the hon. Leader of the Opposition, I think, is wrong when he prescribes where a member of this house may sit. I think the physical accommodations of the members of the house is the responsibility of Mr. Speaker, operating, of course through the hon. minister of Public Works. And if an hon. member has any particular preference as to where his seat shall be placed, the custom is for him to notify the Speaker, and the Speaker notifies the Sergeant-At-Arms, with his sword, and the Sergeant-At-Arms, with or without the use of his sword, sees the desk is placed where the hon. member desires it to be placed. But the initiative rests with the hon. member. I cannot tell any hon. member of this house, on either side, where his desk or seat shall be nor can, I think, the Leader of the Opposition. The hon. member himself, in consultation with Mr. Speaker, can decide that his desk should be here or there or elsewhere.

Now possibly, if I caught the drift of the remarks of the hon. and learned member for St. John's East, he himself may want

soon to express a desire as to where his seat should be, and things should be left, at that until he expresses that desire and the hon. Leader of the Opposition might exercise his well-known sense of humour in that matter and let the hon. and learned member for St. John's East, or any other hon. members decide where he likes to sit.

Mr. Hollett: Mr. Speaker, if the hon. the Premier has finished his speech I would like to inform this house that you, Sir, have been notified by the hon. member for St. John's East, and consequently I see no reason why he should be sitting here. Therefore, I refuse, as Leader of the Opposition — and mind you the opposition is small today — that is the reason I objected to the motion, because my hon. and learned friend, Mr. Renouf is not here.

Mr. Speaker: There was an interruption — a gentleman rose to a Point of Order — but we cannot have a Point of Order on a Point of Order. The hon. Leader of the Opposition has the floor still.

Mr. Hollett: Thank you very much! The reason I objected to the resolution being discussed today was because my honourable and learned friend from St. John's South (Mr. Renouf) is not here. He is detained at Gander and will probably be in tonight or tomorrow. But on my own point of objection at the moment — I do not think, Sir, that any member from the opposition benches should get up, having notified you, Mr. Speaker, what his intentions are — I don't think he be allowed to get up on these benches and declare what he has to declare. So, Sir, I would ask your ruling as to whether or not my honourable and learned friend, Mr. Higgins —

Mr. Speaker: That remark is out of order — hon. member for St. John's East!

Mr. Hollett: Alright — whether he should be allowed to make that statement from here or step one side and then make it. I want your ruling on that, Sir?

Premier Smallwood: Before Your Honour gives the ruling, may I remind Your Honour that on an occasion in this chamber, an hon. member in this house occupied this

seat and indeed was one of the Queen's ministers and a colleague of my own in the government —

Mr. Hollett: That had nothing to do with this.

Premier Smallwood: Identically the same principle. He stood in his place in this chamber, beside me. He did me the courtesy after he stood and said: "Mr. Speaker, I wish to make a statement." — at that point he did me the courtesy to lean down and whisper in my ear and tell me he was going to stab me in the back, or words to that effect. This hon. minister I refer to made his speech.

Mr. Hollett: To a point of order, Mr. Speaker, that has nothing whatsoever to do with the present circumstances.

Mr. Speaker: I think it has. I think the Premier has been citing a precedent.

Premier Smallwood: If the hon. member wishes to make a statement whether to disassociate himself from a party or support, he has the right, obviously to stand in his place, whatever that place is, what has been his place customarily is still his place until he chooses to make it otherwise. Surely he can stand in his own place and make a statement. That is all the hon. member is doing.

Mr. Hollett: In the Premier's opinion.

Premier Smallwood: In my opinion, that is all he is doing.

Mr. Hollett: Of course that goes.

Premier Smallwood: My hon. friend is getting hard to get along with — losing his sense of humour.

Mr. Speaker: Order! As I recollect the situation, the Leader of the Opposition rose to a point of order, first objecting to a political speech being made. But the Leader of the Opposition will remember that I had informed the hon. member for St. John's East, when he rose to speak, that he must not discuss the Resolution which had been given notice of by the Premier. He agreed

not to do that, and I don't think he has up to this time done it. Of course, the drift of his remarks were — I believe he said plainly he was disassociating himself from the Progressive Conservative, and then went on to give the reasons. Since no doubt he means what he says, I took it that he was about, in a few moments, to ask some assistance in the removal of his seat. So that it is only a question of just a moment or two when, if he wishes to, he can get assistance in removing his seat now.

Premier Smallwood: The best place is over here.

Mr. Higgins: Oh — no — no — no.

Mr. Hollett: On that point, Mr. Speaker, may I ask you to give your ruling, the hon. member for St. John's East, who is an hon. man too, Sir, has discussed the matter with you — I would ask what is your ruling. Should he be removed from here, down there, up here, wherever you like, or what not?

Mr. Speaker: I must correct the hon. Leader on one point — He has not discussed the matter with me.

Mr. Higgins: I have been told, I should not indulge in a political speech — While I have the greatest regard for my hon. friends opposite, including the Leader of the House, I am afraid my political philosophy does not make me a willing subject or candidate for admission to a political party which need not be named here.

Mr. Speaker, I would ask your good office to arrange transfer of my desk. The only available place appears to be immediately to the right.

A.M. Duffy quits P.C.'s.

Mr. Duffy: Mr. Speaker, I rise to a Point of Privilege: I propose this afternoon to take what I consider a very serious step, and I ask the indulgence of the house to permit me, in justice to myself, to explain my reasons for so doing. I became associated with the Progressive Conservative Party when its fortunes were at its very lowest ebb, back in 1949.

Mr. Hollett: To a point of order, Mr. Speaker — I wonder if the hon. member

would tell exactly what step he intends to take, without going into any reason why?

Premier Smallwood: No! The choice is his own, what nonsense!

Mr. Hollett: I ask Mr. Speaker for a ruling?

Mr. Speaker: I don't think I can at this time put words into the honourable member's mouth.

Mr. Hollett: Of course you can't.

Mr. Speaker: He is rising to a point of personal privilege and he is entitled to some introduction in doing that. I don't think I can at this time.

Mr. Duffy: As I was saying, Mr. Speaker, when interrupted — When I became associated with a very tiny group, after the virtual collapse of the Progressive Conservative Party, and when the present administration had literally swept all practical opposition from its path, following that, when the federal election took place in 1949, I became associated, as I said, with a very tiny group that went out in the great Riding of St. John's West to assist the hon. W.J. Browne, who is at present a minister of the Federal Cabinet, in his election.

Two years later I became the member for this house, representing the historic district of Ferryland. In passing I might say that although I had signed the roll and although I had taken my oath and even made my maiden speech the government refused to pay me my sessional indemnity. I might say, I did not ask for it because I felt they probably needed it more than I did. It is a pity that the same spirit of frugality was not displayed in other expenditures.

In 1958, Mr. Speaker, I took my seat here, and was very proud to do so, as a member of the Opposition, the Conservative Party, representing the district of St. John's Centre. A large section of my fellow townsmen voted me into this party, into the Opposition. I was very proud to represent that section of my native city where I was born and where I spent all my life, thus far, and where I shall the remainder of it.

Mr. Speaker, I had great faith in the Conservative Party and none was more elated than I when that party, on the Federal

Level, won the election of 1957. I wanted nothing from the party, nothing but wise and sound administration especially as it affects Newfoundland. After my years of association with that party, eight of which, as I said, saw the fortunes of that party at a very, very low ebb, I was still an ardent and enthusiastic supporter, because I had great faith in it.

After these years of frustration and failure the Federal Party has now attained the very pinnacle of political success, and at this time I am compelled, Sir, to leave it because my faith in this party is shattered. Perhaps some hon. members will understand me when I say that I am not leaving the party, the party is leaving me. I cannot reconcile my thinking with that of the Prime Minister of Canada or his government. I think that very important principles have been scraped for political expediency. I cannot reconcile myself in remaining a member of this party.

Mr. Hollett: Mr. Speaker, I rise to a point of order. If the hon. member for St. John's Centre wishes to make a statement that is alright with me, but to go into the political reason why he is vacating the party I will not allow —

Mr. Speaker: The hon. Leader of the Opposition must allow it because he cannot disallow it. The hon. member has the floor. He is not out of order. He is stating his position for disassociating himself from a party and not discussing the Resolution — and I take it he is about to conclude.

Mr. Hollett: What is he discussing?

Mr. Speaker: He is discussing the situation which lead to his coming to certain conclusions.

Mr. Duffy: To borrow the words of a considerable person in history — I claim not to control events but confess frankly events have controlled me — It is a matter of great personal regret that I have to take leave of my party and friends. The Leader of the Opposition, through the years I have been associated with him, I have learned to respect to a very, very large degree. I have a great affection for him and as a man of honour and integrity I would defend him to the utmost. I should like to think, Mr.

Speaker, that we shall remain personal friends. I am sure that he can respect my motives for leaving this party just as I fully respect his for remaining in it.

Now, Mr. Speaker, I would ask you, respectfully, to have my seat removed forthwith to join my colleague, the hon. and learned member for St. John's East, where I shall become a second member of the Newfoundland Party, which will be dedicated in single-mindedness to the good of Newfoundland.

Premier Smallwood: Mr. Speaker in moving the adjournment of the house until tomorrow, Tuesday at three of the clock, may I be allowed to say that I feel a certain sadness in what has happened here today, may I be impertinent enough to express the hope that the three colleagues who worked so valiantly together until a few months ago will yet be reunited. Let us see what tomorrow brings forth. Let us make it a sort of serial for the next two or three days and see if Newfoundlanders, all of us, all of us whoever we are and whatever we are, see if we cannot unite on something on which we must unite if we are not going to suffer badly.

Mr. Speaker: It is moved and seconded that this house do adjourn until tomorrow Tuesday at three o'clock.

This house stands adjourned until tomorrow, Tuesday at three o'clock.

Tuesday, July 21, 1959

The house met at three o'clock.

Mr. Speaker in the Chair.

ORDERS OF THE DAY:

PLACENTIA GUT BRIDGE:

Hon. J. R. Smallwood (Premier): Mr. Speaker, before you call the Orders of the Day I would like to make a statement that will prove to be, I think, of considerable interest to the people in the area of Placentia. Sometime ago the government retained the services of the Foundation Company of Canada, the company that designed the new St. John's Harbour and is at this mo-

ment employed by the government of Canada to supervise the building of the new St. John's Harbour, to go to Placentia and make a very careful survey of the practicality, the feasibility from a practical standpoint, of the building of a bridge across the Gut.

Years before, 10 years ago indeed, the government had brought to Newfoundland, Colonel Thompson, the well-known bridge engineer, on loan from the government of Canada, to make a similar survey. Colonel Thompson's survey showed that the bridge that he suggested should be built would cost about \$1 million to build. His plan was not accepted or acted upon. So that the Foundation Company, who have a corps of high-class civil engineers and bridge engineers and marine engineers, engineers of all kinds, to make what we hoped would be a definitive, a final physical survey, we engaged to do that for a fee, and the fee was \$10,000.

They have now made the survey, and after having the land drilled on each side of the Gut and a thoroughly complete survey made, they have submitted their report to me today. I will table it for the benefit of the house and in particular the Leader of the Opposition, and I will be honoured to have a set delivered to the Leader of the New Party — And I will see to it for the remainder of this session, where in the normal course of events copies of documents would be delivered to the Leader of the Opposition that will be continued but, in addition, copies will be delivered to the Leader of the other party.

The report I can summarize in a few words. They propose that the bridge, if built, should be built a few hundred feet removed from the present route of the ferry; they propose that the bridge should be a draw-bridge built in three spans, from bank to bank, a distance of almost 300 feet. The centre span of the three should have towers on each side of it, enabling that centre span to be raised and lowered by engines, to allow ships to pass through into the Arm from the open sea, because the bridge would be designed to lie very low, relatively low on the water. The approaches on both ends of it would not be high, as would have been the case in the kind of bridge that Colonel Thompson proposed. The cost of the bridge would be, in the opinion of the com-

pany, in the vicinity of \$700,000 to construct.

The figures of the income of the ferry service which is being operated now in its fourth year for approximately 11 months of each year, because, of course, for a month more or less the ferry is not operated, the Gut becomes frozen over or else full of drift ice, making it impossible for the ferry to operate. So for 11 months a year the ferry has been carrying 374,000 up to 450,000 passengers a year — in approximately 140 trips a day, during 18 hours a day. The number of cars crossing on the ferry has run from 85,000 a year to 115,000 a year motor cars; and the number of trucks, motortrucks, has run from 3,200 a year to 4,100. The income received by the ferry in fares from passengers and cars and trucks has run from \$50,000 a year to \$60,500 a year.

The estimate of the bridge operation is, of course, for 12 rather than 11 months a year, and the income would be that much more and because there would be no wait, no delay, there would be a natural increase, in addition to that, in the number of vehicles crossing. So that if it were made a toll bridge the income might run, in their opinion, after their studies, to an income of \$72,000 a year for fares. They say that the maintenance cost of the bridge would be \$4,000 a year, that is the cost of operating it and that the cost of operating it, that is with three men working in eight hour shifts, with the bridge open 24 hours a day, a year, \$12,000 a year, making a total of \$16,000 leaving a net revenue after expenses were paid, a net revenue of \$56,000 a year. The bridge after paying all expenses of maintenance and operation should have a yearly revenue, you might almost call it a yearly profit, of \$56,000.

Then, assuming the capital cost to be approximately \$600,000 the interest on that and sinking fund to pay off the debt, to pay off the bonds when they come due, would retire the full cost of the bridge in 20 years after it was built. The income it took in yearly would be enough to operate the bridge, to maintain the bridge, to pay the interest on what it cost to build it and to pay back the capital sum, the principal.

Because of the high class character of this company, one of the great companies of Canada, trusted by the former government

of Canada when they employed them to design the St. John's Harbour, trusted by the present government of Canada when they employed them to supervise the building of the St. John's Harbour, because of their high character and reputation we accept, the government of Newfoundland accepts this report. I express the hope today that the Leader of the Opposition and the Leader of the new party, speaking for their respective parties, will similarly accept the opinion of this great corporation and approve the decision of the government to accept the plan and to proceed at once — I repeat to proceed at once with the building of this bridge.

The government today appointed the Newfoundland Bridge Authority, consisting of the minister of Highways, as chairman, and the minister of Finance and the minister of Public Works and the minister of Provincial Affairs as members. The Authority will build the bridge. The Authority will probably ask the government to organize a Crown Company, a wholly owned company of the Crown, and under the supervision of the Bridge Authority the Crown Company would call for tenders, within the next fortnight. It will take the best part of the next fortnight for the Foundation Company to give us the detailed plans and the specifications which contractors need to have before they can tender — but within the next fortnight tenders would be called and the contract awarded as quickly as the tenders can be received, and the construction commenced. It would be hoped, it would be expected, that the bridge would be completed in this present year and traffic be passing over it.

Now, I don't know that I can add anything to that. I think I have made it thoroughly clear as to what our proposals are. We propose to remove, in short, the question of the Placentia Bridge of the "Bridge Across the Gut," to remove it forever and a day from the realm of controversy and conjecture, we almost say — as far as the opposition and the new party are concerned. We will be in much the same position as the great lawyer who retired and passed his law practise over (and a very right practise it was and giving him a great income every year) he passed this legal practise over to his son, who was a lawyer as well. The son took over that practise and after about a week he came

running, out of breath, full of excitement and pride, to his father to tell him of the great accomplishment — "You know that case," he said, "you have been working on it so many years, that terrible dispute which has been going on all these years, these two people fighting each other like dogs — I settled the case. The case is finished. I settled it, Father!" His father said: "You poor Jackass that is your practise I left you. That should have lasted you the rest of your life." Now I am afraid our friends opposite, after today — Oh, no doubt they will have some fun now when they reply, no doubt, in a brief comment, which they are permitted by the rules of the house today, no doubt they will have a little fun now, but this will be the last fun. The fun after today will be ours, as it usually is. On motion and by leave, report tabled.

Hon. M. M. Hollett (Leader of the Opposition): Mr. Speaker, it is not my intention to delay the house, but speaking on behalf of Her Majesty's Opposition, I would like to say how pleased I am that the government have at last finally been persuaded to put a bridge across Placentia Gut. As the hon. the Premier knows, we on this side of the house have been advocating that for a long time, and I am so happy to know we have at last persuaded the hon. the Premier and his colleagues that if we are going to have an election they must put a bridge across Placentia Gut. I join with every member of the house to say how pleased I am that this finally will come into fruition.

Mr. G. Nightingale (St. John's North): Mr. Speaker, I would just like to ask a question. I did not quite get whether the Premier meant this would be operated by diesel or electric motors. That is something I would like to know.

Premier Smallwood: Mr. Speaker, the report of the engineers is that it would be operated by electric motors but that there should be stand-by diesel operated electric generators in case the main electric line should fail. They will have stand-by motors so that the bridge will never be out of action.

Mr. Speaker: I will now recognize the hon. member for St. John's East (Mr. Higgins).

Mr. Higgins: Mr. Speaker, I don't know what it is. Surely it is unintentional, but for the last few days there seems to be some conspiracy amongst certain members of the house to keep me from speaking. I certainly agree with the remarks of the Premier and the hon. Leader of (what he refers to as) the 'official opposition. I think I should clear up, Sir, any misconception may arise as to our character in the house. There is no bar sinister in our structure. I wish the unanimous support of this report is going to extend to the major business which will come before us later. Certain it is, that in the atmosphere that is prevalent in this community today, unanimity is certainly desirable. If for one, speaking as I do in behalf of a fledgling party, I don't want to promote an election any quicker than I have to. I will fight if I have to, but am not going to start throwing rocks. I think this Placentia Bridge proposition is one of the soundness of which was recognized many years ago. I remember the Leader of this house, in another place, saying, "Win, Lose or Draw there will be a bridge."

Premier Smallwood: So there will.

Mr. Higgins: He won — There is to be a bridge — I suppose it is even conceivable there would be a bridge, at least the drawing of a bridge — I am heartily in support of this progressive step and it will undoubtedly have benefit to somebody.

TERM 29:

Mr. Speaker: The hon. the Premier asked leave to introduce a Resolution in reference to Term 29. The Premier now has the floor.

Premier Smallwood: Mr. Speaker, on the third of September last I moved in this house, and the Leader of the Opposition seconded this Resolution:

"RESOLVED: The House of Assembly cordially welcomes the announcement of the Prime Minister, Right Hon. John G. Diefenbaker, made in the House of Commons on August 15th., 1958, that the government of Canada would not accept the recommendations of the Royal Commission on Term 29 until they have had an opportunity to give the matter more careful study.

"The Prime Minister's announcement is all the more welcome to this house because of the reason he gave for it, namely, that there appeared to be some dissatisfaction in Newfoundland with the size of the amount recommended.

"This house declares its warm appreciation of the Prime Minister's stand and expresses the hope that it will result in a substantial increase in the size of the amount ultimately to be passed to this province on a lasting basis.

"In the meanwhile we urgently request the Government of Canada to seek without delay the necessary parliamentary authority to pay to Newfoundland in the present session, as an interim measure, at least the amount that has been recommended by the Royal Commission. This would enable the public services and public works of the province to be continued this year, without interruptions or reductions, thereby preventing immediate wide-spread unemployment, and would provide ample time before the next session of the Parliament for the Prime Minister and his colleagues in the government of Canada to give that further study announced by the Prime Minister."

I moved that Resolution on the third of September and the Leader of the Opposition seconded the motion. It was put to the house and carried unanimously and I sent it forward to the Prime Minister. I have never had an answer to this moment. To this moment the Prime Minister of Canada has not replied to this telegram, to this moment. To this moment the Prime Minister has not replied to this telegram, to this Resolution from this house.

But nearly a year after he received it he did introduce, or have one of his colleagues, the minister of Finance, Mr. Fleming, introduce in the House of Commons of Canada, a piece of legislation dealing with Term 29. In the meanwhile, unless the cheque which has been widely advertised in the last few hours, even on the National News last night and from end to end in Canada, widely advertised, the cheque for \$17.2 million being part of this year's payment, half of it, all of last year's payment and all of the payment for the year before last, unless that cheque, I say, arrived today by air (it had not up to two o'clock, reached my office nor the office of

my colleague, the minister of Finance) and unless it has arrived we have not to this moment received a single dollar from the Government of Canada in connection with Term 29. The publicity that has been given to the very speedy, very efficient issue of this cheque, and the signature on it and the dispatch of it in the mails, the very wide publicity of it has failed altogether to say that this is not just a sort of small part of what we are to get this year, but this is in fact all of what we ought to have had for the year before last, all of what we ought to have had for last year and half of what was due us this year.

Now, I can, I think, imagine without difficulty, I can imagine the ordinary housewife in Saskatchewan or British Columbia or Alberta or an ordinary farmer in Ontario or a woodworker or mineworker in Quebec, I can imagine his hearing — "\$17 millions in the last two or three days." Once the minister of Finance announced it, at the very first moment it was constitutionally possible, this cheque for \$17.2 million to be sent on without a moment's delay to Newfoundland. Then a day later, another spasm of publicity, again about the \$17 millions, and the next day again another batch of publicity, and finally the \$17 millions at last issued as a cheque, and forwarded to Newfoundland. The reaction of the average citizen across Canada, who I assure you does not take time to go into these matters very closely, the reaction of the average Canadian was: "Well, Newfoundland is doing pretty well! They are doing alright! \$17 millions!" They have heard that figure \$17 millions) repeated so often in the last four or five days. Incidentally, there is another figure that is being drilled into the minds of the Canadian public, i.e., \$36 millions" — \$36.5 millions. Again the average Canadian citizen, pre-occupied with summer fishing, with baseball, with his vacation, his work, his courting, with all kinds of things, the average Canadian citizen does not stop to examine too closely into the matter. All he remembers, vaguely, is, there is some amount of \$36.5 millions and another amount of \$17.2 millions, or maybe two amounts of \$17 million, he seems to hear an awful lot — Maybe it is only one \$17 million amount. Extremely clever! Extremely clever on the part of those who planned it. Now, I have read the debate in the House of

Commons in this past week, on Term 29. And I have the speech by Mr. Fleming, the minister of Finance, who introduced the legislation, and I read another speech by Mr. Browne, Newfoundland's one and only representative in the Government of Canada, and the speech by Mr. McGrath, another of Newfoundland's members of the house of Commons. I may say, at the same time, of course, I have read the speeches by all of the Newfoundland members, one of whom I am so happy to see here in the chamber this afternoon. And, I have failed completely to find a single word in that debate suggesting or even guessing as to why there was a Term 29.

As we know the "Terms of Confederation" is a fairly lengthy document — Term (1), Term (2), Term (3) —: Term (1) says — "On and from after the coming into force of these Terms hereinafter referred to as the date of Union Newfoundland shall form part of Canada and shall be a province thereof, to be called and known as the province of Newfoundland." Then Clause (c) says: "The province of Newfoundland shall comprise the same territory of Newfoundland in the same way and like extent as they apply to provinces heretofore comprised in Canada." (That is the nine old provinces). Clause (4) — "Newfoundland shall be entitled to be represented in the Senate by six members and in the House of Commons by seven members out of the total membership of two hundred and sixty-two.

Clause (5) and Clause (6) — and so it goes on — "For the province of Newfoundland there shall be an officer styled the Lieutenant Governor.." etc. "The Constitution of the Executive Authority of Newfoundland as it existed immediately prior to 1934" (when we had Responsible Government) "shall, subject to these terms and to the BNA Act continue as the Constitution of Newfoundland.." "The Lieutenant Governor in Council shall provide a Great Seal of the province..." etc. etc. So it goes on, a whole lot of them: Clause (14) says that there should be a legislature. That is the legislature that is here today. That is provided for in Clause (14), and Clause (15) and Clause (16). All these say that there shall be a legislature, a House of Assembly. Clause (17) deals with Education. Clause (18) deals with the continuation of the laws

of Newfoundland; (19) is included to defray the expense of government and Clause (20) has to do with the patents, and Clause (21) with trade marks, (22) with fisheries.

Then you come to a new section. I wish the house could see this — The clauses are here. They are numbered but now you come, at the end of Clause (22) to Clause (23) and it has a headline — It is called "Financial Terms." All the terms up to that are political terms. Newfoundland shall be a province. Newfoundland shall have a House of Assembly. Newfoundland shall have a Lieutenant Governor. The laws of Newfoundland as they were shall continue unless they conflict with the laws of Canada — All of them purely political matters. Now we come to the thing which is the heart of the pact of union, the pact, the treaty, of the agreement, that made us a province of Canada. Clause (23) Debt: A disposition of the public debt. Clause (24) Financial Surplus. Clause (25) Loans. Clause (26) Subsidies.

All matters of each. All matters of Finances — (26) Canada will pay to the province of Newfoundland the following subsidies: and then follows the list of them. These are the ordinary Confederation Grants of 1867, an annual subsidy of \$180,000 and an annual subsidy equal to 80 cents per head of the population of the province of Newfoundland, which they took as being 325,000 until the first census after the date of Union — 80 cents a head. That is what all provinces in Canada get, 80 cents a head from the beginning of Confederation — that famous price of the sheep skin. The house will remember, in Nova Scotia the anti-Confederates said, despite 80 cents a head (which was more than it is now) they described it as selling a birthright for the price of a sheep skin. Evidently that would be what a sheepskin would bring back in 1867.

Then another, in two sections (26-A) and (26-B). Then in Clause (27) comes the Tax Agreement. Canada had just a year or two before that, before we became a province, had offered the other provinces to make that tax rental agreement under which the government of Canada would rent from the provinces the right to collect income tax and corporation taxes so that the people of these provinces would have to pay only one income tax, the one they would pay to the

government of Canada and would not have to pay an extra one to the government of the province. Canada said: Let us make an agreement; let us collect the income tax and the corporation taxes from business firms and in return we will pay you, each province, a certain amount. Now, they made that just before we became a province, and so in Clause (27) they give us the offer to enter into that same agreement for the remainder of the contract, if we wished to do so. As a matter of fact, we did wish to do so, and the first thing we did when we became a province and the House of Assembly was elected, one of the first things we did was pass an Act here in this Chamber authorizing the government to make that tax rental agreement with the government of Canada, and it stood from that day to this.

Then we come to Term 28. It says: In order to facilitate (to make it a little easier) — in order to facilitate the adjustment of Newfoundland to the status of a province of Canada (the recognition was there — they could not help recognizing it. They would have to be blind not to see that for Newfoundland to become adjusted from an independent colony and independent dominion of the British Commonwealth, the British Empire, independent, free of Canada, become one of the ten provinces, was not going to be easy) — so they said in Term 28 — In order to facilitate the adjustment of Newfoundland to the status of a province of Canada (in order to help make it easier, to grease the way to becoming a province of Canada and the development by the province of Newfoundland of revenue producing services) Canada will pay to the province of Newfoundland each year, during the first 12 years after the date of union, every year annually for 12 years after the date of union, a transitional grant. That was a transitional period, a period of difficult re-adjustment — "a transitional grant as follows, payments each year to be made in equal quarterly installments." We have received it four times a year, as the house knows — in the first year \$6.5 million, second year the same and the third year the same and the fourth year \$5.65 million, and in the fifth year \$4.8 million, the sixth year \$3.9 million, and the seventh year \$3.1 million and the eighth year \$2.25 million and in the ninth year, that is the present year now, \$1.4 million, in the tenth year

\$1,050,000, in the eleventh year \$700,000 and in the twelfth year \$350,000. Then it comes to an end. It was for just twelve years, diminishing each year by \$850,000 over each year.

I may say in passing that if the Parliament of Canada had not, each year, chosen to vote us these amounts, the mere fact that they are in the Constitution of Canada would not have gotten us the amounts. I would like that to sink in here. It is Canada's basic law, the Constitution of Canada, the British North America Act — That is what I have been quoting from here, and this basic law of the land, of our nation, Canada, says that the government, in order to facilitate so and so, Canada will pay to the province of Newfoundland each year these amounts. Now, notwithstanding the fact that the basic law of the land says that, we would never have gotten a cent of it, and furthermore could not have gotten a cent of it, if each year since then the Parliament of Canada, that is the House of Commons and the Senate together, if they had not voted us this money. It is not automatic because it is in the BNA Act. Something else is required. What is required is that the House of Commons shall each year deliberately, consciously vote us the money. The same thing applies, if you go back to the Confederation Grants, the original 80 cents a head, we would not be getting these just because it is in the BNA Act.

Now then, you come to Term 29, and that is the end of the financial section of their Terms of Union. So that there are Clauses 23, 24, 25, 26, 27, 28 and 29, seven clauses in the BNA Act, in the Terms of Union, the Terms of Confederation, the Terms of Union between Newfoundland and Canada seven of them that deal with the financing, the side of our union with Canada. And takenote that the final one of the seven, the seventh one is Number 29, the one which deals with this situation, i.e. That if we left out anything in the six preceding clauses, if after doing what we think is pretty good, if after being as generous as we think we have been, if in spite of all that Newfoundland still can't get along on the financial assistance provided in Clauses 23, 24, 25, 26, 27 and 28 we will now insert Term 29. And what is Term 29?

Term 29, in effect, says this: — Oh, we have provided here in Term 29 that Canada will

take over the bulk of Newfoundland's public debt. In Term 24 we have provided that Newfoundland shall hold on to her cash surplus. Term 25 deals with certain matters concerning loans made by the Commission of Government — and in Term 26, Canada says we pay to you these subsidies. In Term 27 Canada says we will let you share in our tax rental agreement with all other provinces, and Term 28 says:

We will give you certain transitional grants. Now if that should turn out to be not enough, then here in Term 29 we will remedy the matter, we will have a sort of catch-all clause that would sweep up the whole business into one clause. Here is what it says: "In view of the difficulty (indeed they might have said impossibility because it was impossible and certainly difficult) — "In view of the difficulty of predicting — (we are not fortune tellers they say) — back there when this was written we had no crystal bowl. We did not know what the future was going to bring to Newfoundland. We didn't know how this Confederation was going to work. We didn't know if it was going to be successful. Maybe the government will be bankrupt. Maybe they won't be able to get enough money to maintain the roads, that it is their responsibility to maintain, or they won't get enough money to keep the schools open, to provide . . . the teachers' salaries. Maybe they won't get enough money each year to keep hospitals open and to do all the regular things that a provincial government is supposed to do according to the Constitution. Maybe they won't have enough money for that. So they say: "In view of the difficulty of predicting with sufficient accuracy the financial consequences to Newfoundland of becoming a province of Canada. In view of that — because that was a very difficult thing to foresee. ".... the Government of Canada will appoint a Royal Commission within eight years..."

Now, at the end of the eight years, not later than eight years but "inside of eight years", which is the way we would generally say it here in Newfoundland — "inside of eight years from the date of union." What for? "To review the financial position." To review, to take a backward glance at it and more than a glance, a good, hard look back over the first eight years of Confederation to see how it has affected the financial pic-

ture, the Treasury of the province. "... within eight years of the date of union to review the financial position of the province of Newfoundland and to recommend (not any form) but "the form." Take not of the words... "to recommend the form and scale..." The form means the shape, the kind the quality and the scale means the amount, the size. To recommend the kind and amount of additional financial assistance. "Additional" — in addition to what is in clause 23, 24, 25, 26, 27, and 28. In addition to that "... additional financial assistance, if any..."

We recognized at the time we inserted these words that it was rather a joke to put them in — "if any." I remember one man who is no more than a millimetre from me at this moment who said: "Well, why put them in?" The answer was — "Well, what harm will they do?" It was agreed they could do no harm — "If any." "... if any" — "the form and scale of additional financial assistance "if any" that may be required by the government of the province of Newfoundland..." What for? ... to enable it" (to enable the government of the province of Newfoundland) "to continue" (not to maintain), maintain is a sort of dead word. It is dead! It is static. But the word is "continue." "Continue" is a live word, a dynamic word, a word that has life in it. It has action in it. "... to enable the government of the province of Newfoundland to continue public services..." (That is to continue hospitals and roads and bridges and schools and water and sewer systems and municipal services and a hundred and ten other things that the government of a province are supposed to do. That is what we mean by public services). "... to enable the government of the province of Newfoundland to continue public services at the levels and standards reach subsequent to the date of union."

But suppose the government got cute about it and said — Alright, the government of Canada are supposed to give us the money we need to continue our public services at these levels. Let us not collect any taxes from our Newfoundland people. Let them be the only people in the world that are taxfree so far as the Newfoundland government are concerned. Let them pay no taxes to the Newfoundland government. So, they would not have that, and they said it in these words — that they would pay to the

Newfoundland government enough money to enable the Newfoundland government to carry on, to continue our public services without doing this — "without resorting to taxation" (without putting taxes on people)" more burdensome than the taxes on the people in the region comprising the Maritime Provinces, "the provinces of Nova Scotia, New Brunswick and Prince Edward Island. Now there is a phrase which I have left out — "having regard to capacity to pay."

Our Newfoundland people, if we are to be entitled to anything substantial out of this Term, if we are to be entitled to anything at all, we are supposed to tax our Newfoundland people so that they are bearing just as heavy a burden, you see, compared with their capacity to pay. A man with just \$5,000 a year and no wife and no children and no relatives is better able to pay than a man with a wife, with \$5,000 a year and a wife and seven children and a couple of cousins to support. It is not just the cash you get, it is your ability to pay. So they said that that has to be taken into account. The government of Newfoundland are supposed to tax the Newfoundland people so that these Newfoundland people will be just as heavily burdened in their taxes, when you consider their capacity to pay, as the people are burdened in these nearby provinces.

Provided that is done, and if that is done, then the government of Canada in this clause, are to pay to Newfoundland what Newfoundland lacks — the difference between the two — the difference between what fair taxation will bring in, and what the services are costing. Let us say, to make it simple, we impose taxation on our people here in Newfoundland, burden them just as much as the people are burdened with their taxes in Nova Scotia, New Brunswick and Prince Edward Island. Now having done that, they are burdened about the same and may even be more but not less.

That brings in, let us say, \$15 million a year. But the public services are costing, let us say, \$60 millions a year. Now, this Term was written because that was exactly what we thought would happen. When we sat down and discussed the matter, and I was one of them — I said: "Look you know this is not going to be easy. We collect now about \$20 million to \$25 million a year in Newfoundland. The Commission of Government col-

lected from our people, in customs and excise duties and taxes, about the same amount. We are going to lose that. We won't be allowed to collect any customs duties. Only the government of Canada and only the government of the United States in the United States — a state or province is not permitted to collect customs duties. So that we won't be able to do so and we will lose that \$20 million to \$25 millions. And that is the bulk of our revenue. Then we will lose this and that and the other thing.'

"I pointed that out and others pointed them out: Senator Bradley; the present minister of Labour, (Mr. Ballam), who was there at the time in the first delegation and others, the late Gordon Higgins, all of us who were on the first delegation and all who were on the second pointed out all that Newfoundland would lose, the government of Newfoundland would lose. We could not deny, not honestly, and most of us did not want to deny, that the Newfoundland people were going to do alright out of it. Oh sure! But at that point what we were considering was, how was the Newfoundland government going to do out of it because we could see it would not be any good to have a prosperous province and prosperous people and a poverty-stricken government. That would not do any good. So we were arguing at the time about what the Newfoundland government was going to lose under Confederation. They added it and began to say — "Let us see! Of course you will put on a sales tax?" We said: "We don't like sales taxes." A sales tax is a tax on the consumer, the poorest of the poor have to pay it. It is not good. It is wrong in principle, but nevertheless we are paying on the average, on the average, 25% duty on everything that is used in Newfoundland. Some things pay no duty, some things 50%, some 20%, all kinds of rates, and putting it all together it comes to an average of 25% duty. That brought in to the Newfoundland government \$20 odd million a year. So we said: "If you put a 3% sales tax on instead of, or in place of, the customs duty, yes, we would get away with that. Our people will gladly pay the 3%, and they have. They may not like it but never grumbled over it. They always felt the 3% was better for them than 25%.

But after we had added it all up we could still see — (We added up the eighty cents

per head, we added up the transitional grant, a little less every year and as the expenses go up the income would go down. We added that in. We added in what we felt, although we could not be sure of this — this was one thing nobody could be sure of — what we would get from the tax rental agreement) we added it all in and could see, Ottawa could see, we all could see, we could not help seeing, we would have to be blind if we did not see that the government of Newfoundland just could not make both ends meet. So that Term 29 was put in. They said: "Alright, in the name of God! that is the way it is, and if that is the way it is, then, in God's name! let us solve the matter. Let us put in another final clause, to come right back at it again eight years from now. We will have had eight years experience down there in Newfoundland to find out what it is like to be a province of Canada, the Newfoundland government will find out what it is like to be a government of a province of Canada. We will know more about you then than we do now. We will all understand each other better. We will have a Royal Commission to review the whole situation, to cope with it, to provide the remedy. We know we can't have a poverty stricken government. We know that. Now that Newfoundland is going to become a province of this great Canada we can't have one of the ten governments, the newest one, we can't have them poverty stricken. We hope you won't be poverty stricken, we hope you are being pessimistic about it. We think perhaps you are not taking into account the way Canada is growing and the way your own Newfoundland is going to grow. Eight years from now you won't need very much, but maybe you will and if you do we will know. We cannot stand idly by, we know. We have got to do something about it."

So, Term 29 was written. That is why it was written. You get the minister of Finance of Canada — and by the way, may I say in passing a word about the fact that it was the minister of Finance, the spirit that led the Prime Minister of Canada to intrust to the minister of Finance the task of introducing this legislation last week, the spirit that led him to have his minister of Finance do it rather than he should do it himself, and he is the Prime Minister of Canada, that same spirit ought, if it had been followed to a logical conclusion, ought to have had him

have his Minister of Trade and Commerce reduce it to its lowest level, just a matter of trafficking, bargain hunting — This Term 29 and the legislation in the Parliament of Canada to implement Term 29, this was the final writing of the Terms of Confederation. This was a great, it should have been a great and historic event in Canada — The final writing of the Terms of Confederation. This was a great, it should have been a great and historic event in Canada — The final writing of the Terms of the admission of the Tenth Province. We may be small and we may be poor, but in all Canada we are the richest in history, we are the richest in tradition, and the least they could have done, the very least, is that the Prime Minister himself — it was the former Prime Minister who entrusted the Terms to the Parliament of Canada, and the final term should have been introduced by the Prime Minister but he had the minister of Finance do it.

And what did the minister of Finance do? The minister of Finance (and I read his speech. It is here in Hansard). Last week the minister of Finance adopted a position that was utterly pretty, foggy. It was the language of the market, not the ordinary respectable and legal market, but the black market. It was the language and spirit of the "Flea" Market of London, "Petticoat Lane," is that not the right name? Those who know London better will remember the right name. On Sunday morning you get the flea-bitten and moth-eaten bargain — On Sunday morning.

Mr. J. D. Higgins (St. John's East): There is a street in Montreal not bad like it.

Premier Smallwood: Quite so. Here is the report of the McNair Royal Commission and signed with a facsimile of their actual handwriting — John B. McNair, Chairman; Albert J. Walsh; John J. Deutsch, May 31, 1958. These are the final words of their report, the final words. "Accordingly we recommend additional financial assistance as follows: (and it goes on (a) (b) (c) (d):

"(a) For the fiscal year beginning April 1, 1957 \$8 millions less the transitional grant, or a total of \$6.6 million." Now that is part of the cheque coming in today.

"(b) For the fiscal year beginning April 1, 1958, \$8 million — and again less the transitional grant of \$1,050,000, or \$6,950,000.

That comes in in this cheque today. That is for last year.

"(c) For the fiscal year beginning April 1, 1959 \$8 million less what is left of the transitional grant, which this year is \$700,000, or a total altogether this year of \$7.31 million. Half of that is in this cheque coming in today.

"(d) For the fiscal year beginning April 1, 1960 (next year) \$8 million again less the transitional grant, which is the final part of the transitional grant, \$350,000 — and thereafter \$8 million per annum — "Thereafter." Now, Mr. Speaker, Mr. Pickersgill, as shown here in his speech has dealt a lot with the word "thereafter," and he summed it up, I thought, very adequately, when he said: "Thereafter means "Thereafter." It is as simple as that. You get for 1957 \$8 million, 1958 \$8 million, 1959 \$8 million and for 1960 \$8 million, each year, less the amount of the transitional grant \$8 million a year and thereafter \$8 million a year.

Mr. Fleming argued that "thereafter" did not mean anything. It had no meaning. You would wonder why it is here, and now that it is there you wonder why it is there and what it means. Did the Chief Justice . . . of New Brunswick (Mr. McNair and the late Chief Justice of Newfoundland, Sir Albert Walsh, and Professor John Deutsch insert something that is meaningless, had no meaning, not intended to have any meaning? Was it a piece of bluff? "Thereafter \$8 million a year." Did that mean nothing? If this Term 29 is not to be honoured, will the hon. Leader of the Opposition or the hon. Leader of the New Party, (Mr. Higgins), either one of them, tell me what assurances they can give me, what assurances they can give our Newfoundland people that any one of these other Terms could not be ignored, could not be violated. If the Parliament of Canada, at the invitation of the Prime Minister, if the Parliament of Canada at the invitation of the Canadian government can ignore Term 29 and say that we by ourselves and without any help from anyone, without any advice from any one, and suggestion from anyone, just acting completely on our own, will kill this term of the Terms of Union, Term 29, its death will take place in 1962, then what is to stop them saying it about any Term?

Now, Mr. Pickersgill made a point that is tremendously important: Some members

of this house, especially those who were members of the National Convention, will recall the discussion there was — Sir Andrew Duncan, I think of Scotland, a great coal miner in Scotland, was brought over by the government of Canada to head up a Royal Commission to look into the complaint that the Maritimes were making. There had been complaints about bad treatment for many years, and Sir Andrew Duncan headed a great and famous and historic enquiry into Maritimes wrongs and complaints. Subsequently, there was a second Royal Commission, just a few years later headed by Mr. White, I believe Mr. Justice White. I believe he was a judge. There were two Royal Commissions, and the award is called, by linking the two names "The Duncan-White Award." They recommended to the government of Canada that there should be paid to Nova Scotia so much a year and to New Brunswick so much a year and to Prince Edward Island so much a year. They did not say the Parliament of Canada should order these amounts to be paid in perpetuity. They did not say that. They did not say in their recommendations to the Canadian Government — "You should ask Parliament to pay this amount indefinitely." No! They just said: "We recommend that you pay to each of these three governments this much a year. It was not an equal amount, because the three provinces were of different sizes and different populations, but a certain amount for each — "We recommend you pay that." Does the house know, and do you know, Mr. Speaker, just on that one recommendation the Parliament of Canada year in and year out from that day to this, and I think it goes back to 1926 or 1927, certainly before 1930, from that day to this the government of Canada, no matter who the government in office are, pay these awards to those three provinces. Now the recommendation in those cases was not that we recommend that you pay to the government of these provinces this much for 1926 and this much for 1927 and this much for 1928 and this much for 1929 and this much for 1930 and thereafter this much. They did not say that. They just said — "We recommend you pay these amounts" — And they have been paying them ever since. Why? Why is that done in the case of these three provinces? Not that we begrudge a cent of it. They were getting

that before we were ever thinking of becoming Canadians. We do not begrudge them, but why the difference in the conduct of the Parliament of Canada? Why the difference in the attitude of the Prime Minister of Canada towards these provinces and towards this province? Why?

I liked something Major Carter said, and I hope the house noted and I hope Newfoundland noted the way that this distinguished Newfoundland soldier, this distinguished Newfoundland son was treated by the army of men that faced him in the House of Commons when he stood up for Newfoundland. "When a sovereign country," he said; "when a sovereign country sacrifices its sovereignty and forfeits its chief source of revenue, great financial adjustments must of necessity be involved. It was beyond human wisdom and capability to forecast with any degree of accuracy what financial impact Confederation would have ... etc."

I liked very much what, I think it was Mr. Pearson, said: And while I am at it may I say something that will indicate that, so far as I am concerned in my thinking and in my feelings — there is nothing partisan about this — it so happens that I find myself in this matter in full agreement with Mr. Pearson and with Mr. Pickersgill and five of our seven members — In this I find myself in perfect agreement. They, so it happens, find themselves in perfect agreement with me. But it is only a few weeks ago, I will remind the house, only a few weeks ago when the Leader of the Opposition in Ottawa and I were very much at cross-purposes. That did not stop me from taking the position I thought I ought to take, nor did it stop him from taking the position he thought he ought to take. But we were openly at cross-purposes then. Tomorrow we may be at cross-purposes again. There is nothing partisan in my thinking, nothing political in it in the narrow, partisan sense at all. If anyone in the House of Commons argues for Newfoundland and states Newfoundland's case I think we Newfoundlanders, whoever we are and whatever party we support ordinarily, we should appreciate, and deeply, the people who do it, who speak up for us.

I want to find a statement here — I think it was Mr. Pearson who said it. He asked a question: "Would the distinguished

Newfoundlanders " (that is the way he put it) "who signed the Terms of Confederation (I do wish I could find the exact wording of it) "would they have ever signed the Terms of Union" (That was Sir Albert Walsh, Mr. Gordon Winter, Mr. Philip Grouchy, who at that time was vice-president and general manager of the A.N.D. Company, Mr. J. J. McEvoy, the present senator Gordon Bradley, and I leave out myself. I was an ardent, fanatical supporter of Confederation and perhaps it might be argued that I might have signed no matter what, which was not true. That might be argued, so I leave myself out of the picture. There were five: Sir Albert Walsh; Philip Grouchy; Mr. J. J. McEvoy and Senator Gordon Bradley and Gordon A. Winter; five distinguished Newfoundlanders. They would have refused to sign, as we know Mr. Chesley Crosbie did.

Would these five distinguished have signed these terms if they could have foreseen, for a moment, that the day would come when any government in Canada would kill that Term, would butcher it, would murder it, would give it a life of only five years from the moment it came into effect until it was buried, would give it a lifetime of only five years, would they have signed these terms? I say they would not! I say the late Sir Albert Walsh would not! I was with him for three months. He was our chairman. He had been there for three months in the first delegation, and so I was very close to Sir Albert Walsh. I know he would never for a moment have signed these terms but for the fact that Term 29 was there, if he had suspected for a moment that there would ever come a Prime Minister of Canada, a government of Canada that would betray Newfoundland in this fashion. I am sure that Philip Grouchy would not have signed and Gordon Winter would not have signed and I am sure Gordon Bradley would not have signed nor John McEvoy would not have signed.

Mr. Pearson said: "What happens now to Term 29 of the Act of Union, part of the Act of Union which was so important and remained so important that if it had not been agreed on 10 years ago, there would not have been any Act of Union with Newfoundland? What happens to the pledged word of the government of Canada under

Term 29 to take certain action? What happens to Term 29 now? The Minister of Finance has repeated his assurance to review the matter, to review. One party to the contract will review the matter, (that is the Government of Canada) before 1962 as part of a general review of Dominion Provincial Relations, where no such special commitment as this is involved. The minister says: Drop this Term 29 this solemn promise into our seminar."

Now, a seminar, in case the house is not aware of the fact, applies to a certain study that has to be made by departmental experts, the official, hired servants of the Canadian government, hired civil servants of the Canadian government; and not the government of Canada at all, not the members of the Government of Canada, not the ministers, but just the employees of the Government of Canada, are to hold a sort of a seminar, a sort of study of Dominion-Provincial relations. And in place of Term 29, as Mr. Pearson pointed out, in place of that the minister of Finance suggests a substitute; that Newfoundland's case will be studied after 1962 by this committee of civil servants. This solemn promise is to give to a seminar, a study group, which is itself an evasion of a promise. Even the very seminar, the very study group, the very committee of civil servants is again a broken promise of the Prime Minister. He has substituted that for a promise he made for a Dominion-Provincial Conference. I was present when he made it. The minister of Mines and Resources was present. The Attorney General was present. The minister of Health was present. The minister of Welfare was present. There were 200 or 300 representatives of all Canada present.

There were 200 or 300 representatives of all Canada present when the Prime Minister announced that this would be, this Dominion-Provincial Conference, which to this moment has not been held. In place of it, he has appointed what Mr. Pearson called this seminar, this committee, this body of civil servants making a continuing study. The more it continues, I suppose, and the longer it lasts, I suppose, the more pleased they will be. And our Term 29 goes into this seminar and the only consideration we are to get is what this seminar of civil servants may be pleased to give it after 1962.

Mr. Hollett: You can't make a statement like that.

Premier Smallwood: I have made the statement.

Mr. Hollett: We have the guarantee of an Act of Parliament.

Premier Smallwood: We had the guarantee of the Constitution of Canada and what good was that? When you have dishonest men what is the good of guarantees?

Mr. Hollett: That should be withdrawn.

Premier Smallwood: Well, alright.

Mr. Hollett: Take it back.

Premier Smallwood: Take it back! I will show you how to take it back.

Mr. Speaker: I don't think it needs to be withdrawn. Nobody's name was mentioned. It does not refer to anybody in the house.

Premier Smallwood: We have discovered here in Newfoundland, this poor province of Newfoundland, this Glorious British Colony of Newfoundland, which lately became a province, we had a contract with that same gentleman, we had a contract. He tore it up and slapped it in our faces and we had to bring him into court over it. We had another contract with the same gentleman and he tore that up and slapped it back in our faces, and that is down in the courts now. I was asked, by the Leader of the Opposition, I hope he was trying to pull my leg, just kidding me, I hope he won't ask seriously — that his fellow Newfoundlanders shall accept, at the hands of a man who tears up written contracts, and breaks promises every hour of the day, that we will accept his word, his promise, his oral promise, or an Act passed by him as a substitute for our Constitutional guarantees.

Mr. Hollett: You are offending a lot of people in Canada.

Premier Smallwood: I am prepared to offend every citizen from Victoria to Sydney if I can get Newfoundland's rights.

Members of the House: Hear! Hear!

Premier Smallwood: I am prepared to do that. I don't think I will do it. On the contrary, I think that the people of Canada from end to end, from Victoria to Sydney, are with us. I believe they are with us. I believe the people of Canada, the nine provinces, are thoroughly sympathetic with Newfoundland. I believe that. I believe they showed it this winter. I believe they showed it this spring. I believe the Leader of the Opposition and I were the two men in all Canada respected and even admired by the vast majority of the Canadian population. I believe that for Newfoundland, across Canada today, there is a lively sympathetic interest. I believe that, and I do not believe for one moment that if I attack the broken promises of the government of Canada, I am going to offend many Canadian people — The Gallop Poll shows that.

Mr. Pearson said: "Here is a pact between two countries in consequence of which the Canadian Government undertook to do certain things." Now, just listen! He says: "Here is a pact." He is referring to Term 29. "Here is a pact" — a P-A-C-T, a Treaty, an Agreement — "Here is a pact between two countries." The two countries are Canada and Newfoundland, made when there were two countries. Remember this, as Major Carter, I think, pointed out — these terms of Union were not made between a province of Canada and Newfoundland. They were made between two British Countries. Newfoundland was a separate country. Now Mr. Browne took a lot of time in his speech, during the course of which he ripped Newfoundland up and down the back. He stabbed Newfoundland in the back, out Newfoundland's throat. While he was throat cutting, while he was back stabbing Newfoundland, while he was doing that, he argued that Newfoundland was not a Sovereign Dominion because Newfoundland had not adopted the Statutes of Westminster.

Now, he could be right! Could be right! He was in this chamber when the Statutes of Westminster were debated, and the Prime Minister of that day (Sir Richard Squires) moved the house not to adopt the Statutes of Westminster. He argued that Newfoundland did not want to adopt the Statutes of Westminster. That is true. And Mr.

Browne could be right when he argued we never became a full-fledged Dominion in the strict Constitutional sense of the word. But even if not a Dominion we were a Country, a Colony, a British Colony. We were not a province of Canada. This was not the government of Canada making some kind of deal with one of its provinces. This was a British Country, far older than Canada herself, three times, four times, five times as old. We are 450 odd years old and Canada is only 90 years old. Here was a country, an ancient British country, the first British country, in the whole world, outside England, the first on the earth, making a treaty, a pact with another country, also a British Country, which we thought was an honourable country whose statesmen were not only honourable but would always be honourable men; who would always honour Canada's Constitution, who would not tear up contracts, not tear up the Constitution. And here were these two British countries making a solemn agreement, making a pact. And Mr. Pearson says: "Here is a pact between two countries in consequence of which the federal government, the Canadian government undertook to do certain things. "They undertook to set up a Royal Commission which would make recommendations as to how Term 29 would be implemented." Then, without consultation of any kind — and remember the pact was made by consultation — the pact was made by negotiation lasting six months, the first for three months and then a year later for three months again, between eight appointed representatives of a National Convention, or seven and then seven representatives appointed by the Commission of Government. And we negotiated and we finally signed a pact. The pact was bilateral not unilateral, not just one-sided, not "take-it-or-leave-it." It was two countries, the duly appointed representatives of two countries, two British countries, each of them flying the Union Jack, sitting down three months and negotiating a treaty. And according to one of the terms of that treaty a certain thing is to be done. We both signed it. Canada signed it. We signed it. Then, without any consultation of any kind with the government of Newfoundland with respect to that matter, and without any effort being made to see whether this problem could be worked out by agreement, this government,

representing one side . . . of the union, one of the two parties that negotiated the treaty — remember, this government representing one side of the union — bringing in a Bill which rejects a fundamental feature of the recommendations of the Royal Commission, without — any consultation with the other party to the agreement. He added, and I am glad to say he added this and Newfoundland would be glad to have noted, as Newfoundland no doubt has noted, that he added this — Mr. Pearson closed his speech in these words:

"Our party intends.. " And may I say that the party to which he referred is the party that was the government of Canada up to a couple of years ago, when they were swept out of office. They were the government of Canada just a short two years ago, and were for 22 years. And I don't suppose there is anyone in this house or in Newfoundland or in Canada who would be so lacking in common sense as to suppose that they will not be the government again. There may be a difference of opinion as to when. My friend the Leader of the Opposition may think it will be an election or two from now, or three elections from now. The Leader of the New Party may think it will be that long, not as long, or longer. I may think it will be only until the people get a chance to get to the ballot boxes again. We differ on this. Our Opinions will vary but certainly we agree they will be the government of Canada again — and that is the importance of this statement.

"Our party" he says, "intends to stand firm on the commitments made and the obligations undertaken in the Pact of Union and at the time of Union. We stand for carrying out that Pact both in letter and in spirit." (We stand for carrying out that pact both in letter and in spirit) "When the commitments of that pact are to be changed, that should be done not by an arrogant imposition of federal decision on a province, but by consultation and agreement with Newfoundland. That, Mr. Speaker, is how we interpret what the Prime Minister calls a "contractual obligation." And don't forget the Prime Minister called it that — a contractual obligation. Finally, Mr. Speaker, when the responsibility is ours again we shall remove that injustice, we shall correct this violation of a contract and we shall make sure once again that the Act of Union

is honoured in all its parts and is carried out as it must be carried out, in letter and in spirit."

You see, Mr. Pearson has never been punished by Newfoundland and so he has no particular desire to punish me. Mr. Pearson has no reason to punish Newfoundland. No reason — Mr. Pearson could not, if he sat down for a week and did nothing else, could not imagine any reason why he should punish Newfoundland. Mr. Pearson can't think of any reason and I can't think of any reason why Mr. Pearson would want to punish Newfoundland.

Mr. G. R. Renouf (St. John's South): Who has punished Newfoundland?

Premier Smallwood: Mr. Diefenbaker; Mr. Browne; Mr. McGrath, all the members of the Tory party in the House of Commons, without exception, all have punished Newfoundland, have cut Newfoundland's throat, stabbed Newfoundland in the back, betrayed us.

Mr. Hollett: Pretty well dead now!

Premier Smallwood: We are not dead. It will take more than Diefenbaker to kill us — It will take more. (Applause).

Mr. Hollett: Cut her throat and stabbed her in the back, and still alive?

Premier Smallwood: "We shall correct this violation of a contract. We shall make sure once again that the Act of Union is honoured in all its parts and is carried out as it must be carried out in letter and in spirit. When the people of Newfoundland joined their destiny and linked their history and added their glorious and honoured traditions to ours, they did not dream that, 10 years later, the government of the other part to the contract" (that is the government of Canada) "would impose on them a decision, a settlement without consultation with them — take it or leave it, they said." So said Mr. Pearson.

Mr. Hollett: What decision was imposed on us?

Premier Smallwood: The decision to

butcher Term 29 in 1962. They have done it. It has been butchered.

Mr. Hollett: I wonder if the hon. the Premier would allow a question, Mr. Speaker?

Premier Smallwood: Of course.

Mr. Hollett: Has the hon. the Premier given any thought to the fact that by 1962, \$8 million will be small stuff compared with what we may get out of even a "PC" Government?

Premier Smallwood: I am glad the Leader of the Opposition asked that question because it reminds me to clear up something. The Resolution to which I am speaking, if the hon. Leader of the Opposition will turn to it, on page one — Item 5: Item 5 says what Term 29 is and Items 6 and 7 tell what Term 29 is not. Then I want to go on to Item 8 — Now let me read it: "First, Term 29 provides for continuation of Newfoundland's public services as they were found to be when the McNair Royal Commission made its report and recommendations. This continuation of the Province's public services is to be paid for by the government of Canada, after the people of Newfoundland have borne to the Government of Newfoundland at least as great burden of taxation, having regard to their capacity to pay, as the people do in the nearby Maritime provinces; and this is to be done without qualification, and without limit of time." Now, that is what Term 29 is: Now we come to the next section 6: "Term 29 is not" — and mark this — "Term 29 is not for the purpose of dealing with the matter of making Newfoundland's public services as good as those of the Maritime or any other province, but deals only with the continuation of Newfoundland's public services as they were found to be by the McNair Royal Commission." Now Item 7:

Mr. Renouf: Be out of date in a short time, would it not?

Premier Smallwood: I will come to it. Item 7: "Term 29 is not for the purpose of providing for any improvement in the levels and standards of Newfoundland's public services, as they were found by the McNair Royal Commission, but only with their continuation."

Mr. Hollett: Exactly!

Premier Smallwood: Term 29 is what it is. It is not what it is not. It is what it is: Term 29 provides for the continuation, that Canada will pay us the difference between what our revenue, our taxes, give us, from the people, and what the services cost, as they were in 1957. The difference between the two Canada must give us, because we must be enabled to continue these services as they were when the Royal Commission looked at them in 1957-58. Now I come to the next one, Term 29, and its strict and honourable enforcement, does not, and was not intended, to deprive Newfoundland of any grants or other forms of assistance . . . made generally available to all or any member of the other provinces of Canada, and does not in any sense or degree reduce Newfoundland's general rights as a province of Canada.

In other words, if I make a pact with the Leader of the Opposition today, saying that next Thursday I will give him a certain concession — (I don't know what concession I could give and he would want) — Let us assume there is some concession I could give him next Thursday, which he would like to have and I am able to give. I made a pact to give him that concession. It is no use his coming back to me, or my going back to him on Thursday and saying — "Look, old man! I don't want to give you that concession, you know — I just don't want to give it to you. Now I will give you this, that or something else, but I don't want to give you the thing I have agreed to give, I signed my name to, put my signature on, that I have committed my honour to do it. I want to be dishonourable with you, but I will give you something else. I will do this, or I will do that."

Term 29 does not mean that, when the Atlantic Provinces grants were given a year or two ago, we could not share in them. Of course we could. Term 29 does not mean that when the government of Canada, this government or any other government in Canada, when they do this or that or the other thing for a province of Canada, just because we had Term 29 and are getting something under Term 29, we cannot expect these other things and they cannot give them to us.

Suppose I made a pact with the Leader of the Opposition to give him a certain thing next Thursday, would that stop me from giving him other things as well? Does it? Does it deprive him of the opportunity of receiving these other things? Now, if I had signed a pact with the Leader of the Opposition that next Thursday I would give him a certain thing, and he signed the same pact, and there was a clause in it which says — seeing that you are going to give me this thing Thursday and I am going to accept, you are not liable ever to give me anything under any other consideration — once having given that I never give anything else. Term 29 does not say that. Term 29 deals with one simple thing, the continuation of the levels as they were then. Now, if the government of Canada at any time wants to give us more under another heading —

Mr. Hollett: But they do. They did it. They gave us the \$7.5 million.

Premier Smallwood: Exactly! But not under Term 29. They give us other things. That will always be so. We do not lose the opportunity to gain generally from Canada because of Term 29. Term 29 merely says this — "You shall." It does not say "You shall not have this, that or the other thing." It says: "You shall have this." That is what Term 29 says. They cannot come back to us and say — we gave you Term 29, but can't give you this, that or the other thing. We can say: Look here, we want Term 29 and we also want this, that and the other thing, provided you give it to other provinces.

Mr. Hollett: Mr. Speaker, may I be permitted to ask a question? I want the Honourable the Premier to realize that in my opinion —

Premier Smallwood: A question? The gentleman is going to make a speech — Ask me the question.

Mr. Hollett: I will ask the Premier, will he not agree that it will cost the Canadian Government much more in 1962 and thereafter to continue the public services which we had in 1957?

Premier Smallwood: Of course! I admit it! We said that same thing before the Royal

Commission. There is nothing new in that. The senior member for Harbour Main (Mr. Lewis) was our counsel and he argued and he argued it before the Royal Commission. Mr. Carl Goldenberg argued it before the Royal Commission — We said, as time goes no, from time to time, this \$8 millions, or this amount whatever it is, is not going to be enough.

Mr. Hollett: The federal government realizes that.

Premier Smallwood: We were aware that the time would come when it won't be enough, and will have to be increased. That is why we recommended and asked for a periodic review under Term 29 — That is the reason. Obviously that is the reason.

Mr. Hollett: And they granted it.

Premier Smallwood: No! Not under Term 29. Term 29 is killed in 1962, dies the death. Now, when I saw the Prime Minister in January, I was accompanied by the minister of Finance in the forenoon and in the afternoon by Mr. Albert Perlin, as an adviser and Mr. Karl Goldenberg in the afternoon, and had a meeting with the minister of Finance in the morning, when I was accompanied only by my colleague, our Newfoundland minister of Finance. And I said to Mr. Diefenbaker, the Prime Minister — "The Royal Commission has recommended a certain figure. We think it is too small. We ask you to increase it. We are dissatisfied with the amount of it." As a matter of fact, the Leader of the Opposition was dissatisfied with the amount of it." As a matter of fact, the Leader of the Opposition was dissatisfied too. He seconded the motion that we sent to the Prime Minister.

Mr. Hollett: Still of that principle.

Premier Smallwood: Exactly! — So I said to the Prime Minister, \$8 million a year is not enough. We would like you to double it, but if you won't, if you won't will you do this: The Royal Commission was to be appointed within eight years of Confederation to make a review. Will you agree to this, that there will be another review, a Royal Commission, if you won't increase the \$8 million a year? Alright, give us the \$8 million a year, but for

goodness sake give it to us soon, will you. It is costing us a lot of money we do not have to borrow from the bank and pay interest every day. Give it to us soon. We do not have it yet. We may have it this afternoon or tomorrow morning. That was back in January — "Will you appoint another Royal Commission within six or eight years, within another eight years, in other words, 16 years from the date of Union, appoint another Royal Commission under Term 29 to review Newfoundland's case according to the Terms of Reference in Term 29?" He did not say he would or he would not. He said: "I see your point! I now understand." That is all I could do. I could not demand a decision then. The most he could say would be, well I certainly will consider that. In fact he could have said; I am personally in favour of it, I will consult with my colleagues in a cabinet meeting the first chance I get, and if my colleagues agree, we will do that. He did not say anything except — "Well. Yes! I have your point." And he made a note with a pencil. I don't know what could have happened to that note.

However, in the afternoon, accompanied by our Newfoundland minister of Finance and Mr. Albert Perlin, who had been a member of our Newfoundland Royal Commission and wrote a great part of the report of that Royal Commission, accompanied me as did Mr. Carl Goldenberg, and we spent a pleasant two hours, I think it was, with Mr. Fleming, the minister of Finance. Again this time we talked with a man who had at least read the report, a man who this time, at least, showed some interest in it, and furthermore showed that he had at least a passing knowledge of it. So we talked for a couple of hours. I said: "Mr. Fleming, if you won't accept our argument, if you won't accept because you know the fact of the matter is that you know that the recommendations made by the McNair Royal Commission do not carry out even their own recommendations, their own arguments, at one or two points. If they had done so their amount recommended would be larger." I pointed that out to Mr. Fleming. I said: "However all that is over and done, if you won't accept the argument and won't increase the amount will you agree there will be another Royal Commission within another eight years, which would be the second eight years since we became a province of Canada, but before

that expires let us have another Royal Commission and look at it again, because eight years hence this eight million dollars may be only half enough or maybe twice as much.

Suppose here in Newfoundland in the next five years we discovered five or six really valuable mines. Suppose we did. Suppose in the next five years in Newfoundland we had another great paper mill going, suppose we did, and in the next five years a vast increase in our prosperity. (and pray God there is something like that) Suppose that happened, then the revenue that the Newfoundland government would receive from the Newfoundland people might be such that we could continue those services at these levels as they were in 1957-58 without any subsidy from Ottawa. On the other hand! On the other hand, some of the mines we have might close up. Bell Island went close to it. We might not get that third paper mill. (A few weeks after I was talking to him Crown Zellerbach pulled out). We might not get our third paper mill and instead of getting prosperity five years or eight years from now, Newfoundland might be struggling along as she did in the past, and \$8 million may not be enough. So I said: "Let us have another Royal Commission, within eight years, or within 16 years after Confederation. Take \$8 million and meanwhile have another commission, under Term 29." What did Mr. Fleming say? He said; in the House of Commons, in the debate last week, when it was pointed out he had been asked again and again by the Premier of Newfoundland, by the government of Newfoundland, he had been asked again and again and again to have another review under the terms of Term 29 — He denied it! He denied it! Well now, there are things you can and can't say in Parliament, parliamentary language and unparliamentary language. I think it was Randolph Churchill, the father of Winston Churchill, who, when he called, a man across the floor of the house, a liar! a liar! — The Speaker called him to order and he had to take it back. He took it back and said; "Alright, Mr. Speaker, I take it back. It is not a lie. It is a terminological inexactitude." I cannot say Mr. Fleming is a liar! a cheap liar! That would be unparliamentary.

Mr. Higgins: That actually was Winston.

Premier Smallwood: It does not matter. It was one of the Churchills.

Mr. Hollett: Stabbed in the back. That is worst.

Premier Smallwood: "Stabbed in the back!" — I would venture to say this — If we had a general election in Newfoundland tomorrow morning and Mr. Diefenbaker had a candidate in every one of the 32 constituencies, I think it is — 36 members in the legislature — 35 constituencies. If he had 36 candidates and the polls opened at eight o'clock tomorrow morning and closed at eight o'clock tomorrow night and the ballots were counted by eleven o'clock, Mr. Diefenbaker would not elect one man in the length and breadth of Newfoundland. Mr. Diefenbaker is done! His day is done. He is a gonner! Finished! Newfoundland has had enough of him or anyone who stands up for him. Mr. Diefenbaker or anyone who stands for him! Mr. Diefenbaker or anyone who defends him or represents that! Mr. Diefenbaker or anyone who has the smell of Diefenbaker on him is a gonner! He is a gonner! Finished! Finished in Newfoundland! They can cut our throats, stab us in the back, do that, but they can't expect us to like it. Newfoundlanders are not going to thank him for stabbing us in the back. Yes, we Newfoundlanders, we Newfoundland Canadians, we Canadian Newfoundlanders, we are not going to appreciate having our throats cut. We have some spirit left in us.

Mr. Hollett: I hope we have.

Premier Smallwood: I hope we have, and I hope that, foremost in the vote on this Resolution, will be the Leader of the Opposition. I hope that a man than whom we have in this house no man, no member, more honourable, more decent, we have no one in this house who is a better Newfoundlander — now he can get muscle-headed about it, can lose his way, but he is a good Newfoundlander. He can get lost, but if he follows his true instincts as a Newfoundlander, he knows what position he will take. He will never, never allow himself, in Newfoundland (as my hon. friends opposite have already refused to allow) they see what is coming, the handwriting on the wall—those who

have been weighed in the balance and found wanting. They see it. The shrewd and able and clever hon. and learned member for St. John's East (Mr. Higgins) sees it. He sees that Diefenbaker is done — done to a turn too. He sees it. Then the capable and able member for St. John's Centre, (Mr. Duffy) neither one of whom I hope, I will never live long enough — I say this to day publicly — I hope I will never live long enough that I will ever want to oppose them for any seat they ever run for. I hope any party I am ever connected with will have the honour of not contesting their seats, wherever they run in Newfoundland. If either one of these hon. gentlemen opposite, the hon. member for St. John's East and the hon. member for St. John's Centre, wants to run in Bonavista North, come down and I won't oppose you. I will run for another district. This applies equally well to the two hon. gentlemen who are still members of the Opposition, and who, I imagine may for a long time be members of the official Opposition, whom I hope will not much longer be supporters of the man who has knifed us, whom I hope will not for many more hours be willing to have their names identified with the betrayers of Newfoundland.

Now, may I say this while I am at it — we have in this chamber this afternoon an hon. and learned man who is a member of this house, who if he has been less a Newfoundlander than he is, would today be occupying the third highest position in this land. We have a man today in this chamber, whodeliberately put Newfoundland first — I hope he won't be offended if I say I did not think he had it in him — he won't be offended. I did not perhaps know him well enough, but frankly I thought he was too easy-going, I thought he was a man who took life too lightly to get serious minded like that. But he was very serious minded, and everybody in this house today knows, without exception, that same hon. and learned gentleman put Newfoundland first, and did it knowing that he was throwing away something that almost any man in that profession would give his eye teeth to have. The pinnacle of his profession was within his reach, but to get it he had to do a little thing. He had to stab Newfoundland in the back. Oh! He could have done it! He could have stabbed Newfoundland in the

back by just saying nothing. He could have betrayed Newfoundland with a smile, with a gag — and he is not incapable of the gag. He is able to get off a wisecrack. He could have wisecracked his way out of it — Oh Yes! He did not have to be serious minded about it. Any everyone would have said; Oh Yes! That is him, and shrugged their shoulders, and after he occupied this high office they would not dare say a word then. They would have to hide it for fear they ever came before him. We know, this house knows, and I believe Newfoundland knows, this man who bears a name always honoured in Newfoundland since I was a little boy, at least always honoured here, this man who is now embarking on a career in which he is going to be a miserable failure, in which he has not any chance almost at all, nevertheless embarking on it. Another "Happy Warrior." I take my hat off to him. I have nothing but affection and respect for him, and I hope to see him elected here again and again and occupy his seat over there, for the next 20 years. I hope we will always have him here with us and his colleague as well. And if I can help — maybe this is the kiss of death — maybe they don't want my help. Maybe they would rather I did not mention that matter.

Mr. Duffy: Damn us with faint praise.

Premier Smallwood: No, with praise — not faint. The more the praise the greater the damage. Any my hon. friend, the Leader of the Opposition for whom I must say, in the past year I have grown to have a personal affection. Last year I was going down to see the great Hamilton Falls in Labrador. I am up here in the house fighting all the time in favour of development in Labrador. The Leader of the Opposition seems to have had a rather skeptical look on his face so I wonder if he would take it wrongly if I invited him to come down there. I invited him and he came and was tremendously impressed to come down there. I invited him and he came and was tremendously impressed by what he saw, and went down again the other day and saw the great new iron ore development in Labrador. And, on these two trips, we did not talk politics but Newfoundland and development, and I must say trouted a lot. He has a great feeling for trouting and shooting. I grew to like him.

He is a man who has fought for Newfoundland in a way I never did, and never can and never will; and I hope, when the chips are down, and the vote is taken here, he will be found to represent, in this house, not John Diefenbaker, not — I will give him his title — the hon. William J. Browne — not that outfit. I hope he will be found to represent the people of Newfoundland. Let him stand by the people! Let him stand by the people — the people of Newfoundland! Let him stand by them. He has always done it, and this is the greatest crisis in his life, as it is in the lives of all of us — Let him stand by the people of Newfoundland and vote for this, even if Mr. Diefenbaker hates him for it. Glory in that hate, because Newfoundland will love and respect the hon. gentleman. The same thing applies to his colleague, the last remaining Lone Ranger of the party — if "Lone Ranger" is not out of order, I hope, Mr. Speaker.

Mr. Speaker: I said Order! I did not say the hon. member was out of order. I detected some noise from the spectators.

Premier Smallwood: Yes, Your Honour! I did not realize it was so late. I notice the Leader of the Opposition from time to time looking up at the clock as though to remind me that time is passing. The custom in the house here, around four o'clock or four thirty is to have a recess for 10 minutes. We have only one stenotypist, and she has been at this steadily since the moment we opened. We usually have 10 minutes to get a cup of tea outside in the other chamber, but I don't know what is going to happen to all the visitors we have. We have not enough tea. If the hon. member for St. John's Centre is right and Newfoundland is insolvent in her cash position, I don't know how we are going to supply tea for so many people here today.

Mr. Speaker, I could go on. In these last few days I have felt a certain shame (May I make a confession to this house) I have a sort of proprietary interest in Confederation. I suppose the house will understand that that is possible. I was rather prominently associated with its coming to Newfoundland, you see. I talked a lot in favour of it and I tried to persuade a lot of my fellow Newfoundlanders to be in favour of Confederation, and I had something to do with getting

the victory for Confederation. Now, because of that, of course, I had to assume a certain amount of the blame or praise, as the case might be, and certainly I had to take some of the responsibility for everything that happens in connection with Confederation; everything that happens that is mean or contemptible, everything that happens that you cannot be proud of, everything that happens that you regret leaves me with a certain amount of shame, and a feeling that I want to apologize to my fellow Newfoundlanders. I did not warn them of this. I did not tell them this might happen. I only told them of the good things that would come from Confederation.

All these good things have come, but I do not (I will be fair today, I will be honest and admit) I did not point out to our people the bad things there might be in Confederation; and this is one of them. I must confess that I did not see myself any chance that any government in Canada would do this to us. That is the one thing I never anticipated. We met here in September last; and the Leader of the Opposition said — "Oh, I have no doubt at all" (he said) "that they will do better than this." We are all terribly disappointed with this report of the Royal Commission, the \$8 million a year. We had asked for \$15 million and they recommended \$8 million. We were all disappointed. The hon. Leader of the Opposition was disappointed and all his followers, all of them, were disappointed. One by one I wrote down what they said. I wrote it down, frankly, with the idea that the time might come when I would have to use it again them. Now I am not using it again them but for them. A politician has to do that sort of thing. My speech today will be scrutinized five years from now, and some member of the Opposition will be ramming it down my throat, picking a sentence, something that I said. That is politics. I took note of what they said, one after the other, each of the four. "I have no doubt at all they will do better." "I have no doubt we are going to get a better deal than that." The four were quite optimistic, and unanimously supported that Resolution. The only thing that never occurred to any of us, the Leader of the Opposition nor anyone else, never occurred to us. I figured: "What will he do? What will Diefenbaker do?" I talked to my friends: "He can't pay any less, can

he?" Some people suggested: "I tell you what he is going to do — Give you \$8 millions, alright; but will tie you up hand and foot with conditions." Then I would argue "He can't do that. The Royal Commission does not recommend that. "Well, what will he do? He can't give less than they recommended. He can't put any conditions to it. They would be an "Indian Gift," as they say. What will he do? I had come to the conclusion that he would just pay the \$8 millions and call it quits. He may hate to do it but he cannot do less. Give the \$8 millions. The only thing that never came to my mind, never came into the mind of the Leader of the Opposition, never came into anyone's mind, is the diabolical cleverness, the devilish cleverness of what has been done. Develishly clever! Not honest! Not honourable! But as slick, as slick can be.

The Prime Minister even coupled my name with the betrayal. He certainly said in his statement there, just before the Easter rising (the one to which my friend referred to this morning) — "We will give these payments until 1962 in final and irrevocable settlement of Newfoundland's rights under Term 29." He coupled my name with that statement. He did not name me by name. He said: "The Premier of Newfoundland" — speaking about a review — "The Premier of Newfoundland would want a review." Mr. Fulton said the same thing: "The Premier of Newfoundland is in favour of a review!" He even said that Mr. Goldenberg, our Chief Economist, before the Royal Commission was in favour of a review. Sure! Of course we are! But a review under Term 29, and not by some civil servant, as part of a general review of all Canada. We never guessed — We could not guess! A thing so clever! I say here now today what is in the mind of every Newfoundlander, Liberal and Tory alike: "We are getting paid back for what we did."

Every province of Canada, with one exception, went clear overboard for Mr. Diefenbaker. Nova Scotia gave him every last member they had to give without one single exception. Prince Edward Island gave all she had. They gave their all to please Mr. Diefenbaker. New Brunswick gave all but its all, just held back a token Liberal Representation in the House of Commons. Quebec went clean overboard. Manitoba gave, I think, every single seat without exception.

Alberta went clean, completely overboard. There was not one "Social Credit" man elected, not one. British Columbia went clean overboard. Nine provinces, two or three of them unanimous — and one dirty little cur had the brazen all, the ingratitude, to turn the blind eye on the vision — one Province of Canada. Now, Sir, Richard Squires used to say that there was more rejoicing on Water Street over one failure than 10 successes. And I have often felt that our Great Prime Minister, in these two years, has had many a sleepless night wondering what the devil got into that crowd. We are the constant reminder that he is not divine. We are the constant reminder to him that he is not infallible. I believe that we have become an obsession to him — and we are paying for it. We are paying for it. Now that, if it is true, and it may be argued that it is not true — How any man could take this report and adopt it but shut it off in 1962, without rhythm or reason, how any man could do that with good will, with good will to us, how any man could do that staggers the imagination. I can't imagine! It is not goodwill. That legislation passed in Ottawa this past week is not goodwill legislation for Newfoundland. It was not passed with goodwill. It was passed not to award us, not to reward us — not to reward us! Now I say this house must give Mr. Diefenbaker and his government, especially Mr. Browne (Oh I could say a few words on Mr. Browne — a Newfoundlander who declared, when he left this chamber he was a member of this house until a couple of years ago. Then he went out to run for the house of Commons had to go to the very same people who elected him to this House and ask them to elect him to the House of Commons in Ottawa, and he had to give a reason. What was his reason?) "I am going to Ottawa to protect Newfoundland on Term 29". To his great surprise, he found himself in the Cabinet, the inner circle of the Government. And when Term 29 was being debated last week what did he do? How much blood did he spill in Newfoundland's behalf? What sacrifice did he make? Did he cross the floor? Did he leave Diefenbaker? Did he announce his stomach was turned? Did he announce he could not take it? Did he inform all Canada that this was a betrayal of his native land? Oh, I will tell you what he did? He got up and from end of his speech

he piled up scores of figures showing how Mr. Diefenbaker and Ottawa had flooded Newfoundland with money, how it had poured in here in millions and millions and millions. That is what he did.

Mr. Speaker: Order! All remarks and interruptions should be addressed to the Speaker.

Premier Smallwood: Did he protest? Did he utter one word to protest the smashing and destruction of Term 29? Not a word! He defended it! He defended it! And he argued that the people of Newfoundland should be not only willing, but happy, to abandon the Constitution and just take Mr. Diefenbaker's word, just take this Act in place of it. He argued that seriously.

I say now that Mr. Browne, unless he takes a permanent job, if he can get one — if he ever comes back here and runs for any office from dog-catcher up — and the same thing applies to the young gentleman who sits on the same side of the house with him (Mr. McGrath): — if he ever runs for any office where he would have to get elected here in Newfoundland — he may do it in Ontario but if he ever runs here in Newfoundland 99% of the Newfoundland men and women in the place where he runs, whatever constituency that is will go out with patriotic love in their hearts to vote him out, keep him out for ever. I venture to prophesy that William J. Browne is going to get the greatest punishment ever inflicted on a political figure in the history of Newfoundland, he is going to get the great licking. He will lose his nonomination deposits. He will be a figure of shame and disgrace in Newfoundland. That is what he will be. It could have been otherwise.

I said to Billie Browne, when the Government of Canada, at the last hearing of the Royal Commission (they stuck them down in the basement, the House will remember. That is why the Prime Minister of Canada came here to St. John's, Mr. Diefenbaker, and he was interviewed by Don Jamieson on "TV" — It was in the Federal Election — and Don Jamieson, knowing every Newfoundlander, every Newfoundlander, every one of us was heart and soul in this Term 29, knowing this, the first question, and rightly so, he asked Mr. Diefenbaker

was: "Mr. Diefenbaker, what do you think of the Royal Commission?" What did Mr. Diefenbaker say? He said: "Royal Commission, that nonsense. There should not be any Royal Commission. Nonsense!" And every Tory in St. John's was going around for two days, ashamed to be seen on the street — ashamed to be seen. And I may say Mr. Diefenbaker, as soon as the election was over admitted quite candidly and man-fashion, quite frankly that he did not know there was to be a Royal Commission. It was news to him. When Don Jamieson asked him that question he might as well have asked him the fiscal system of Inner Mongolia insofar as Mr. Diefenbaker was concerned. He never heard of a Royal Commission, and judging from his statement today he never read the report. We can't stand for that. Mr. Browne did it: How many Billy Browne's are there? Newfoundland can only afford one. We could never stand a second one. God forgive us! God forgive me for a certain part I played! God forgive me for a certain part I played!

I called him aside and said: "Now look, Bill, this is the Royal Commission. They are sitting in the basement. And when I arrived in Ottawa the Chief Justices of New Brunswick and of Newfoundland and Professor Deutsch and Carl Goldenberg, who had arrived for the final hearing of the Royal Commission on the Terms of Confederation, this historic moment, they provided quarters for them in the basement. I ran into George Hees, the new minister of Transport. He was stumbling down through the corridors, and I was stumbling up and we met, tripping over electric cords and wires, trudging along the corridor. He shook hands and said: "Well, how is it"? I said: I have just come from the Royal Commission. He said: "Yes, I am looking for them." I said: "You are in the right place here in the basement." He said: "You don't mean to say they are down here? I said: "Yes!" He said: "My God! That is terrible! I will have to do something about it." He did. He got them out of the cellar. They were in the cellar — in the doghouse. Mr. Hees got them up. I give him credit for that.

While we were down in the cellar, and the hearings took an adjournment for 10 minutes, I called Billie over and we sat together, and I said: "Look, Bill, you know this is life and death for Newfoundland, for

all of us, this Royal Commission. You are in the cabinet now. You have a voice in the inner circle of Canada. You can get to the Prime Minister. You can talk to him. I said: "Stand up for Newfoundland. Stand up for it." "If you do, I said, it could even mean you have to cross the floor, it could even mean you have to leave the cabinet, resign from the party. It could mean that but, I say, if you do, your name will go down in Newfoundland. It will go down with honour, with glory. Your name will live in Newfoundland. You will be a Newfoundland patriot. Stand up for Newfoundland now!" He did not say if he would or would not. But he did not! He did not! And he is coming down here today, arriving today. He is going to come down and defend the "sell-out". He is going to defend the "sell-out." Maybe he is bringing the cheque. Maybe the big fellow is bringing the cheque.

Now I hope we can make it unanimous — I hope we can make it unanimous. I hope that the Leader of the Opposition will leave the party he is in, vote for this resolution, leave the party he is in and join the new party or come over here or stand out independent — but leave the Tory Gang. Leave the betrayers. Leave the cut-throats. Leave the back-stabbers. Get rid of them. And I hope that, notwithstanding the connections there are, I hope the hon. and learned gentleman (Mr. Renouf) to his left, for whom I have a great respect, great admiration and great respect; genuine, I think, to the tips of his fingers — I hope he will not lose his way. I hope, in spite of everything, he will break away and support this motion.

A lot depends on this vote. A lot depends on it. Newfoundland, I believe, is watching today. Newfoundland will be watching this vote. Don't be fooled by a couple of Committees. Don't be fooled by a little cellar meeting. Don't be fooled by copies of Resolutions. Just feel the heart of Newfoundland. Unless you have gone insensitive you can feel Newfoundland's heart beating today. You can feel it. You know how the Newfoundland people feel right now. You know how they feel. If you don't you should not be in politics. If a man is so insensible, so blind that he does not know how the Newfoundland people feel about this betrayal, then the quicker he gets out of politics and perhaps the happier he will be. Mr.

Speaker, I suggest we have a recess for 10 minutes.

Mr. Speaker: It is twenty minutes to six o'clock now.

Premier Smallwood: What? Mr. Speaker, I move the adjournment of the debate. I understand the hon. member for St. John's South (Mr. Renouf): is going to enter the debate at this point. Perhaps he would be willing to wait until tomorrow and start the debate off tomorrow.

On motion debate adjourned.

Mr. Curtis: Mr. Speaker, I move the house at its rising do adjourn until tomorrow, Wednesday at three o'clock.

July 22, 1959 (Wednesday)

The house met at three o'clock.

Mr. Speaker in the Chair.

ORDERS OF THE DAY:

POINT OF PERSONAL PRIVILEGE:

Mr. J. D. Higgins (St. John's East): Mr. Speaker, I rise on a question of privilege — In a news release which was broadcast over three radio stations last evening, and alleged to have been from the P.C. Association of the West Coast, a statement was made in which it was alleged that my colleague, the hon. member for St. John's Centre (Mr. Duffy), and I had been instrumental in leading the P.C. Opposition of that time into supporting the Labour Legislation. That is not a correct statement. Not that I, for one moment, nor would my colleague, wish me on his behalf today, to withdraw one iota from the stand I took at that time. I know the hon. Leader of the Progressive Conservative party in this house must be just as anxious as I to correct any misunderstanding. Nobody led anybody. Each one spoke for himself and spoke in the interest of his country.

ADJOURNED DEBATE ON RESOLUTION:

TERM 29:

Mr. G. R. Renouf (St. John's South): Mr.

Speaker, may I say a brief word of an introductory nature in the form of an apology to you, Sir, and to this house for my delay on the opening day on Monday past. That was intended as no discourtesy to this house. As a matter of fact, I was down fishing, on the Gander, with an inescapable appointment. I am sorry to say the salmon we caught cost considerable, due to the fact we had to charter an airplane to get from the Lower Gander up to the Terminal at Gander. When I arrived back I was a little amazed to see the change that had taken place in the house. It reminded me of spring cleaning. I saw the furniture was moved about, which also reminded me of when all my favourite objects and ornaments that I so like to see, and my favourite luster jug, were moved out of place. But, I was very glad to see here, Mr. Speaker, that the hon. Leader of the Opposition, my colleague, carried on for me until my return.

Today is an important sitting of this house. I have not a set speech prepared. I am going to express my opinions as they come to me, without any set form. But I do feel that this session is an unnecessary one in several ways. I feel that it is in the wrong time of the year. I feel that the next session of the house would be a more appropriate time in which to discuss this controversial topic of Term 29. I also have a criticism to make in that the setting is a political one, with the shadow of an election in the background. Perhaps, I should not say the shadow of an election, but I should say a missionary crusade, rather than political. However, I am not so much concerned with the subject matter of Term 29 as I am with some of the other ramifications. I feel that this setting is too emotional a one for consideration of a matter such as this. I feel that the results and the reactions are more important than the actual immediate topic under consideration. I feel that the people of this province have had their belly full of emotion, their belly full of trouble and their belly full of noise and commotion during the year 1957.

I feel that we should be in calm conclave. I feel that we should be around the conference table. I feel that this house, honourable as it is, should not be used to inflame, or to excite, or to confuse, or to mislead, or to in any way unduly influence the thinking of the people. I feel too, Mr. Speaker, that very few of us are qualified to speak with author-

ity on this very vital topic. I feel, Mr. Speaker, that there are all too few of us who have even read Term 29. I would venture to bet, Mr. Speaker, that thousands of our people have not read Term 29. Thousands of our people have only the haziest notice of Term 29. I feel that our people cannot be fully mature in their thoughts and in their considerations of the Term until they have had time, in the cool and the calm of reflection, to weigh matters as they should be weighed. I feel, Mr. Speaker, that in the first instance everyone who possibly can should read in full the debates on the matter in the Parliament of Canada, which has just been completed. I feel that, whether they would agree with the tenor of those debates, or whether they would like the "pro" or the "con", they should be informed enough, they should be enlightened enough. And I feel it is necessary for everyone possible to read both sides of the argument and the debates as were set forth in the House of Commons. I feel that, up there, they were sincere in their expressions of opinion. I give due credence to those who supported the Liberal contentions. I give equal credence to those who supported the Conservative viewpoint. I am not, Mr. Speaker, so arrogant that I do not give due deference to those who think other than myself.

I said that calm and reason and common sense should prevail. We should have no inflammation of passion. We should have no incentives other than the best. We should avoid vilifications, we should avoid prejudice and we should avoid abuse. I declare before this house, Mr. Speaker, that I shall give my opinions as best I can in a cool, calm and, I hope, unprejudiced way. I will not abuse anyone. I will not vilify anyone. I will give due honour and respect to all my fellow citizens, no matter to what political complexion they belong.

It is true, Mr. Speaker, and it is unfortunate that a Term such as Term 29 should be with us today to confuse our people, to make us divided, to make us wonder, to make us puzzled. I clearly admit that our people are confused. I clearly think that they are anxious. Well, not only the average person, Mr. Speaker, was confused and anxious and mixed up, not only our average people I say, but judges, commissioners, prime ministers, members of the House of Commons, economists, lawyers, constitutional

lawyers, labour leaders, every class of person that I can think of has expressed conflicting views on this most contentious term. How, in Heaven's name, I say, Mr. Speaker, can the average citizen coolly and clamly weigh a clause which has caused unfortunate dissent from the very time it was created? I say that not with vindictiveness, I say not that with accusation, I say it in a sense of regret. I accuse no one of creating the Term which has had such unfortunate results.

I feel, Mr. Speaker that there is a way out of this. I will make a proposal before I proceed too far, that may have some constructive suggestions in it. But I would like to elaborate a little further, when I say that the results of that discussion are equally important to consider. I am terribly concerned about the frame of mind that is growing up in this country. I am pained at the expressions and the remarks and the thoughts that are sometimes expounded by my very closest friends. I feel, Mr. Speaker, that when we joined the Dominion of Canada we accepted a dual loyalty. I feel, Mr. Speaker, that when we surrendered the precious nationality of "Newfoundland" we took on a dual loyalty. We took on not only a dual loyalty, we took on a dual responsibility. When we were Newfoundlanders, before 1949, we could afford to indulge in the luxury of an undivided and a fierce loyalty. No fiercer loyalty was there than at that time expressed on both sides; no fiercer loyalty and convictions were expressed than by the Premier of Newfoundland in his ardent campaign to do the best that he could for his native Province. Even no less sincere and no less ardent were those who felt that Confederation could not work. At that time there was a tempest of emotion as well; Newfoundlanders divided from Newfoundlanders, campaigns for and against Newfoundland people campaigning in an anti-confederate field were refused permission to land on our native wharves in our native bays, so inflamed were some of our people they could not tolerate a contrary opinion, they could not listen to the other side, their minds became so closed with excitement and emotions that they threatened all sorts of extremes, rather than argue or listen in a rational way.

Personally, Mr. Speaker, I do not wish to inject fears. I try, as far as I can, to keep a

calm attitude in times of crisis. I feel that anything I can contribute can only be in the light of calm, and in the light of rationalizing. At the very height of the Confederation Campaign, and when some of our fellow countrymen were already elected to the new government, times were pretty bitter and times were pretty hard in the heat of that emotion. I tried to look at things objectively. I accepted Confederation with trust. I accepted the new status although inside me was in a lot of pain. I wrote, in the height of that emotion, Mr. Speaker, to a very good friend of mine, who is now sitting on the opposite side of this house. I will not mention his name at the moment. He is a member of the cabinet. He is a contemporary of mine. He was a school-fellow of mine. He had taken the Confederation side. And, I wrote him a tribute. Not that I agreed with him, but I offered him my congratulations that he had the courage of his convictions to come out in public life at a time when a great many feared to do so. I wrote a letter to another acquaintance, who is not in this house, but likewise a contemporary of mine, giving him encouragement in the embarrassment he was in at that time. I mention this in passing, Mr. Speaker, just to show that what I have to remark at a later time is modified and influenced not by any heat or contention, but by the best thoughts that I can produce.

I had my difficulties during these days, Mr. Speaker, as we all had. I received the greatest inspiration from a boy, a young boy not yet left high-school, a clean-cut, keen, bright young fellow who had a terrible problem. I believe he was the winner of a public speaking contest. He said: "Does everybody, Mr. Renouf, get a certificate of Canadian Citizenship?" I said: "We are all Canadians, born in Newfoundland". He said: "I have a certificate, given to me by a Prime Minister of Canada, underneath the Peace Tower of Parliament Hill". I could see what was coming. I said: "Well, that is a very great honour. You have been signalled out for a special gesture of honour. I think all our citizens would be entitled to claim one. All our citizens would be entitled to get such a certificate, but I consider that you have been individually honoured, because you have taken part in a notable achievement, winning a speaking contest, which one day, very likely, will entitle you to speak

in the councils of your Province to the greater honour and glory of the Nation of Canada". However, that was only one part of that chat we had. He said: "I am very mixed up. I hear the remarks and insults made against the same Prime Minister who gave me my certificate. I hear our own government leaders abusing the Prime Minister of Canada, and I feel in a state of confusion." I gave him this advice: "You have read the history of Canada, have you? You have read the history of Newfoundland? If you have not read it in full I would advise you to do so. You will find that the Constitutional History of Confederation commences in 1867. There is the British North America Act, which is part of the Constitution of Canada. It is part of the Constitution of Canada. It is not all. It is the basis of certain fixed aspects of the Constitution of Canada. The Constitution of Canada, the British North America Act, has been changed approximately 20 times in the course of history, since its inception.

"The history of Canada has been the history of its great statesmen, Laurier, MacDonald, St. Laurent, Diefenbaker. And you will see", I told that young boy, "if you read the history of these great statesmen of Canada, they have always had their internal problems, to build up a young nation, Britain has had a thousand years to iron out the wrinkles in their Constitution, Canada is still going through the pains and the frictions and the growing pains of a healthy nation which is changing year by year. You will find that, up to 1935, there were 500 appeals on Constitutional matters, 500 cases taken to the Privy Council, and later to the Supreme Court of Canada, on constitutional issues — 500 cases for settlement up to 1935. Others there have been since, and others there will be until Canada's Constitution is finally ironed out, in the understanding and in the tolerance and in the jurisprudence of the legislatures and its leaders".

Hon. J. R. Smallwood (Premier): May I ask the hon. gentleman a question? At least 500 cases — Have they changed the Constitution by as much as even one word or one letter or have they not merely clarified people's minds as to what the Constitution meant?

Mr. Renouf: I thank the hon. Premier for

that interesting question he has asked me. "Has it changed the Constitution?" To that I would reply that it has changed the Constitution, just as the British Constitution has been changed by judicial decisions, conventions, treaties and all such events which are in the normal course of the operation of the state. I do admit that some of the judgments were in favour of the provinces, some in favour of the National government, some in favour of the Sovereign government, but by them, and from them, was culled and fitted into the Constitution all the events and all the problems which now form the wise reference for the future.

I come now, Mr. Speaker, to another aspect, and that again relates to the psychological atmosphere which may arise from events of this nature. A second short story will illustrate what I mean. A couple recently came, a few days ago, from the other side. They were discussing this matter, I suppose, with friends and one lady remarked to me — "I have had a peculiar experience, Mr. Renouf. Before leaving Britain I understood I was coming to Canada. I have been in St. John's for a week now, and I find I am not a Canadian, I am a Newfoundlander". In the developed thought of the British people that is a very strange experience. How did she get that idea? Well, she developed that idea from some of the reactions which were sponsored by some of the public remarks made by government leaders. One can be a Canadian, proud to be a Canadian, when speaking to a Canadian audience on the Mainland and the same speaker can return to Newfoundland and be a Newfoundlander only. That is the contradiction. You cannot be a Canadian in one place and a Newfoundlander in another. The nation is indivisible, and one can only be a loyal Canadian born in Newfoundland, if you like a "Canadian-Newfoundlander". That was the only answer that I could give to that lady in her doubts.

Hon. M. P. Murray (Minister of Provincial Affairs): Did you charge her anything for that advice?

Mr. Renouf: I was not in much of a frame of mind at the time to take payment for any advice, but I may send her a slight charge for my advice, when all the debate is over, and I hope she pays me. Yes, Mr. Speaker, I

too share that confusion, or if not confusion, I share that alarm. That a psychological wall, a psychological fence is going to be erected around this province. We, Canadians as we are, we cannot have that autonomy, we cannot have that hint of cessation, we cannot now be anti-Confederate, we cannot, we should not, now hate Canadians, we should not now hate Mainlanders, we should not now isolate ourselves from the stream of thought that is running through the Nation of Canada. There is nothing as antiquated as the backward thought, the antiquated thought that this province, as much as we estimate her, can survive in her full growth unless she stirs and unless she walks in proportion to the strides of the nation itself.

Now there has been confusion — at the signing of the Terms, going back to Confederation itself. The question has been asked — would the delegates have signed the Terms of Union had Term 29 not been included in the terms.

Mr. J. Forsey (Humber East): Mr. Speaker, may I ask a question — Is the hon. gentleman contending we now, as Canadians, should put Newfoundland as a province second and Canada as a Nation first? As Newfoundlanders who are Canadians, we must choose to support the over-all Canadian picture in preference to the welfare of our province? Is that the contention I get from the story?

Mr. Renouf: Mr. Speaker, in answer to the hon. member, I thought I made myself clear. We walk hand in hand. I thought I made it clear the advantages to our province would be the advantages of the Dominion. I feel that we must progress, we must go forward together, not one without the other.

Mr. Forsey: Mr. Speaker, will you allow me another question? The reason I asked that is that I understand the hon. and learned gentleman has protested — I ask this question — is it true or false that he protected Mr. Diefenbaker's earlier statement in regard to Term 29 which was made in the House of Commons? If he did, why is it today he finds himself taking an entirely different course? Why did he then not go along with the Prime Minister of Canada's decision to end Term 29 in 1962?

Mr. Renouf: Mr. Speaker, if the hon. member will bear with me I will try, in the course of my remarks, to give him the answer which he seeks. I was about to discuss, Mr. Speaker, the episode of the signing of the actual Terms. I think it is true to say, Mr. Speaker, that, at the time of the National Convention, a small delegation went to Ottawa and made some tentative terms, with the Dominion authorities, I believe, which the Premier and Mr. Bradley and one other brought back — some tentative terms.

Premier Smallwood: There were seven of us.

Mr. Renouf: Terms which contained an amount, as an offer from the Dominion, of something like \$3.5 millions. These were submitted to the National Convention and, of course, rejected outright as being thoroughly insufficient. Then we come to the next episode, where Term 29 was eventually put into the Terms of Union. We have heard a great deal of talk about the interpretation of the Terms. We have had a great deal of analysis throughout the last 10 years. We have had the Premier of this province giving us his thoughts and his interpretations. There are, however, some other voices which have not come forth, up to the present time, with their interpretations of that Term, the other signatories. One signatory, by refusing to sign the Terms of Union, gave the equivalent of his answer, that the terms were insufficient. The other members, other than the Premier, have been strangely silent during these past few years.

Mr. Speaker, I should like to refer to some of the debates which have taken place in the House of Commons at Ottawa. There is a conflict in this Term 29 as to "perpetuity". Let me, at the risk, Mr. Speaker, of wearing your patience, read the Term 29 yet once more. It is as follows: I read it from this Act:

"In view of the difficulty of predicting with sufficient accuracy the financial consequences to Newfoundland of becoming a Province of Canada, the Government of Canada will appoint a Royal Commission within eight years from the date of Union to review the financial position of the Province of Newfoundland..." That is an uncontentious part of

Term 29. It clearly sets forth an obligation on the part of the Canadian Government to appoint a Royal Commission.

It goes on as follows:

"...will appoint a Royal Commission within eight years from the date of union to review the financial position of the Province of Newfoundland and to recommend the form and scale of additional financial assistance, if any, that may be required by the Government of the Province of Newfoundland to enable it to continue public services at the levels and standards reached subsequent to the date of union, without resorting to taxation more burdensome, having regard to capacity to pay, than those obtaining generally in the region comprising the Maritime Provinces of Nova Scotia, New Brunswick and Prince Edward Island".

Therein, Mr. Speaker, appears to lie some of the doubts and the differences as to what was really meant. We have had some very prominent people giving their divergent views of what was really meant by that second part of this particular Term 29. Did it mean that the grant resulting from the award of the Royal Commission, or the recommendations of the Royal Commission, should go on forever? Were they in perpetuity? And, so on and so on along the line. The various aspects boiled up to the point where, even today, there is not a unanimous decision, a unanimous point of view as to what Term 29 really meant. It is true that it is specifically stated that the federal government has to appoint a Royal Commission. That part of it is uncontentious. We have contentions that the findings of the Royal Commission are not binding on the sovereign government. But this Term 29 carried with it something more than that. It was part of the Terms of Union. It carried with it a moral obligation to look over the position of this Province after a period of Confederation, after eight years.

I am not satisfied with Term 29. I am not satisfied that Newfoundland has gotten the best it could get. I would like for the Province of Newfoundland the very, very best. I would like more, perhaps, than it would be reasonable to expect. I would like more than it might be possible to give. I would like to see everything coming to this province that we can reasonably expect. I am sorry to see that a clause of that nature seems to

create such a conflict that we really do not know what we can expect.

Premier Smallwood: It is not the clause that causes the conflict, it is the lack of good will, good faith. The clause does not create any conflict.

Mr. Renouf: I take note, Mr. Speaker, of the hon. the Premier's comment, and it does imply the question of good will, good faith. Here, I would like to read, in part, some of the debates which took place in the federal House of Commons. Mr. Fleming, the minister of Finance, said:

Premier Smallwood: What page?

Mr. Renouf: Page 6038.

Premier Smallwood: What date?

Mr. Renouf: July 15, 1959. Here (from Hansard) is what Mr. Fleming said:

"What is the trust we are told we have broken. It must amaze hon. members who have followed this debate that when Newfoundlanders are told they cannot trust what the Canadian Parliament is prepared to say in its Statutory enactments, somehow or another they were prepared to entrust their whole future to the vague and nebulous terms of Article 29, which did not give them anything expressly, except the right to have a Royal Commission appointed by the federal government and which gave them nothing more, as Mr. St. Laurent plainly said in this house in 1949, than the trust which apparently Newfoundland was prepared to vouchsafe in Article 29, which may not apparently be vouchsafed today in an enactment of the Canadian Parliament which is put before this house in plain terms. It is quite obvious, I submit, why hon. members opposite are resorting to the talk about Article 29, and breach of faith. It is evident that some of the chickens are now coming home to roost. It is quite clear that those who oversold the people of Newfoundland on what the terms of Article 29 really meant are being faced now with the inescapable facts which they have withheld from the people of Newfoundland up to this time..."

Mr. Forsey: Mr. Speaker, may I interrupt?

Mr. Speaker: Order! That is up to the hon. member who has the floor.

Mr. Renouf: I think, Mr. Speaker, if I am allowed to continue my remarks the hon. member will get an answer to his question.

Mr. Speaker: Order! The hon. member does not have to yield. He has indicated he does not wish to yield.

Mr. Renouf: The continuation of that same speech, Mr. Speaker, goes on to say the minister of Finance was referring to the fact that it was quite evident that those overselling the Terms of Article 29 in Newfoundland "had not laid before the good people of Newfoundland the words of Mr. St. Laurent in his authoritative pronouncement in this house, (February 7, 1949) upon the effects of the terms of Article 29". Perhaps the attitude of those who interpreted the speech for Newfoundland might have been different today if that corrective and authoritative announcement of Mr. St. Laurent's had been made known to the people of Newfoundland.

Premier Smallwood: Mr. Speaker, the hon. gentleman ought not to change what he is reading out but read what is here. On two occasions he has already omitted a word used by the minister of Finance, which put that minister in a certain light, and he has omitted these words. These words indicated the spirit and feeling of the minister of Finance while he was speaking, and both of which showed the minister of Finance as not saying this as quietly and objectively as the hon. gentleman is now quoting him.

Mr. Speaker: Probably the hon. member may note that point. He has two courses open to him. He can interpret that as part of his own speech, and give a synopsis, or he can quote verbatim, as he is doing now. But if he is to quote verbatim, I think he should read the whole thing as there.

Mr. Renouf: That, Mr. Speaker, was my thought. I thought I was reading it correctly. I will read it again, Mr. Speaker, with your permission, so that there would be no mistake this time.

"I was suggesting that perhaps in the rather frenzied approach to the present

debate of some hon. members opposite we see now something of a situation in which chickens are coming home to roost, and in which this overselling of the term of article 29 which has been carried on by some persons has now been subjected to exposure. We are accused by certain hon. members opposite of violating some obligation. I am going to examine that accusation, because the government does not intend to leave allegations of that kind unanswered. They are baseless, and I suggest, that, in the end, they will not reflect credit upon those who have resorted to them.

"What is the obligation that it is said the federal government was under and which it has not fulfilled? Here I propose to strip the sophistry off some of the remarks we have heard from hon. members opposite in the course of this debate. I tried as best I could to follow the Leader of the Opposition in what he was saying on this point. First of all, Mr. Speaker, I ask, does Article 29 create an obligation? The obligation created by Article 29 is very clearly an obligation placed upon the federal government to appoint a Royal Commission in accordance with its terms. And as to that, either Mr. St. Laurent was right or the Leader of the Opposition was right in his speech. They cannot both be right. If the point raised by the Leader of the Opposition yesterday was sound, if his speech had any merit, it could only have that merit on the basis of repudiating what Mr. St. Laurent said in this house on February 7, 1949, as reported at page 289 of Hansard of that date. The words of Mr. St. Laurent are crystal clear. Speaking of this very point he said: 'There is no undertaking to implement any terms of recommendation that may be made by a Royal Commission.'

"What could be clearer than that? If there is any suggestion from hon. members opposite that Article 29 created any obligation except an obligation to appoint a Royal Commission, then Mr. St. Laurent has completely removed any suggestion of any other obligation in this respect. Again I invite the attention of hon. members to what Mr. St. Laurent said on that point. Here are his conclud-

ing words in the passage to which I have made reference.

Hon. Dr. J. McGrath (Minister of Health): May I ask the hon. gentleman to finish Mr. St. Laurent's quotation? He has given a very false interpretation there, by taking the words out of context.

Mr. Renouf: The second column, 6048 —

Mr. Speaker: I think it might be remembered that the hon. member who has the floor is not quoting Mr. St. Laurent. He is quoting Mr. Fleming quoting Mr. St. Laurent.

Mr. Renouf: That is correct, Mr. Speaker.

Premier Smallwood: Why does not the hon. gentleman make his own speech?

Mr. Renouf: I am, Mr. Speaker, doing the best I can to let as many people as possible hear, a great many of them for the first time, all the sequences and all the tenor and all the context of this debate.

Premier Smallwood: Then why not bring Mr. Fleming down and let him make his own speech, instead of the hon. member just reading it out to us here; or get Mr. Fleming to record it and put it on the radio stations. The hon. gentleman is surely not going to ask us to sit here and just listen to Mr. Fleming's speech when we would like to hear his speech.

Mr. Renouf: I thank the hon. the Premier.

Premier Smallwood: For the compliment?

Mr. Renouf: The compliment. I did have the full text of that speech.

Premier Smallwood: It is on 6048.

Mr. Renouf: On page 6029 of Hansard — Hansard of February 7, 1949 — "We on our side wanted to provide financial terms which would make it reasonable probable, if not certain..." That is not the phrase, Mr. Speaker.

Mr. Speaker: I believe the hon. Premier

now has the hon. member quoting Mr. Pickersgill.

Dr. McGrath: If the hon. gentleman will allow a very short interruption...

Mr. Speaker: Will the hon. member yield to the minister of Health?

Mr. Renouf: Yes, Mr. Speaker!

Dr. McGrath: Why I spoke at all was this — the words quoted were undoubtedly said by Mr. St. Laurent, and have been quoted and requested in newspapers and in another house without finishing them — And these words taken out of context give an entirely wrong and false impression of what Mr. St. Laurent said and intended. I think if you are going to quote somebody it should be in sufficient entirety of text to show the meaning. If one were to say (1) "It is a fine day, except for the thunder and lightning". If one were quoted as saying the first part of the sentence, one would not quote what one said. To quote the first sentence from Mr. St. Laurent's quotation gives a completely false impression of what he said. I ask the hon. gentleman to give a complete quotation.

Mr. Renouf: I thoroughly agree, Mr. Speaker. The quotation in question should be read in a fair way, and I have no intention whatsoever of changing in any possible way the remark which I wish to make. The general tenor of the remark of Mr. St. Laurent gave one the information that the findings of the Royal Commission could not be binding upon the government. It is rather unfortunate and mildly embarrassing that I cannot lay my finger on the verbatim quotation, but I believe it fair to say the thought and the judgement of the then Prime Minister (Mr. St. Laurent) was that the terms of a Royal Commission were not binding; or that was the general tenor of his remarks.

Dr. McGrath: Not in that unqualified way.

Hon. M. M. Hollett (Leader of the Opposition): The quotation is there. It must be in three different places. I am sure the hon. member would find it if he could.

Mr. Renouf: There are quite a number of

portions of this debate, Mr. Speaker, that are extremely interesting. The Hon. Mr. Pickersgill, in another instance, was asked; did he consider the payments under Term 29 to be set at a fixed figure in perpetuity at \$8 million, and he answered — "No." There are some other quotations.

Premier Smallwood: Will the hon. gentleman allow me — First he quoted Mr. St. Laurent, and quoted him in part. Now he is quoting Mr. Pickersgill, and quoting him in part. The whole of the quotation ought to be given, surely.

Mr. Hollett: I hope the hon. the Premier has read it.

Premier Smallwood: I have read the debate thoroughly.

Mr. Renouf: I quite agree, Mr. Speaker, and I conform to it as a reasonable request. I too insist, and I too agree, that we must be fair in this. We must be accurate in this. And I have no irritation whatsoever at the request, rightfully made by the hon. members. The page in question on which I was first speaking and on the quotation of Mr. St. Laurent is page 5895, July 13, 1959. I quote here: Mr. St. Laurent, in introducing the Resolution on February 17, 1949 made this comment on Article 29 as recorded at page 289 of Hansard:

"It was also provided that within eight years from the coming into force of the Terms of Union a Commission would be set up to examine the situation anew, and to report as to whether or not the Terms provided are working satisfactorily and are sufficient to bring about the object of equalizing the lot of the people of the new province with that of the people of the older provinces. There is no undertaking to implement any terms of recommendation that may be made at that time by a Royal Commission.

Let me repeat, Mr. Speaker: The Liberal Prime Minister of Canada, Mr. St. Laurent said again — "It was also provided that within eight years of the coming into force of the Terms of Union a Commission would be set up to examine the situation anew, and to report as to whether or not the Terms provided are working satisfactorily and are sufficient to bring

about the object of equalizing the lot of the people of the new province with that of the people of the older provinces. There is no undertaking to implement any terms of recommendation that may be made at that time by a Royal Commission. It was felt by the Newfoundland delegation, and by the representatives of the Canadian government that this was something that has been entered into in a spirit of fairness on both sides."

Premier Smallwood: In other words "bilateral" — both sides!

Mr. Renouf: And that it was not necessary to make binding stipulations.

Mr. Smallwood: Not "necessary"!

Mr. Renouf: "It was not necessary to make binding stipulation about what would happen with respect to the report of the Royal Commission. It was felt that if there was an investigation and a report by the Commission in which the public at that time would have confidence, the legislators of that day" (that is the legislators of today) "could well be trusted to do what would prove to be right in order to make this enlarged nation a united nation continuing on its path of progress towards its greater destiny".

Premier Smallwood: Now would the hon. member complete the reading of it by turning to page 6048, and we will have the whole story. Two days later, the same debate, page 6048.

Mr. Renouf: At the moment, Mr. Speaker, I intend to give this extract, to try and elucidate the position of obvious reasons that surrounds this particular term.

Premier Smallwood: The hon. gentleman has not given the full extract. I am offering him the remainder. If he has not got it, here. If he wants to read it all, here it is, page 6048 of Hansard, in the second column.

Mr. Renouf: "We on our side wanted to provide financial terms which would make it reasonably probably, if not certain, that the addition of Newfoundland to the economy of Canada would ultimately prove to be beneficial to both partners, to the

older Canadians and to the new arrivals. It was found, after more precise and careful study of the administrative problems that would be faced by the government of the province of Newfoundland, that the Terms suggested in the offer submitted in October, 1947, would not be sufficient at the start to enable the provincial government to provide for its people on a basis comparable to that which is provided by the other Canadian provinces...it was felt that there has to be quite substantial provisional grants extended over a period of 10 years on a diminishing scale." Is that sufficient, Mr. Speaker?

Premier Smallwood: No! No! No! read right on! That is not the complete sentence. Finish the sentence.

Mr. Renouf: Mr. Speaker, I feel that I have given the context from which my remarks are made, in elucidation of my point.

Premier Smallwood: It will be done!

Mr. Forsey: In other words, you have stopped being fair now.

Mr. Renouf: No, Mr. Speaker, I continue in the fairness that I intended to continue.

Mr. Forsey: Intended to until the Leader of the Opposition advised you not to.

Mr. Hollett: Mr. Speaker, I object. I want that taken back. I made no such suggestion. I don't mind, when it comes from there I don't like it.

Mr. Forsey: I take it back.

Mr. Speaker: The hon. member takes it back. He must understand the remark was out of order.

Mr. Renouf: The confusion, Mr. Speaker, which surrounded the interpretation of this Term 29 is continued in many other directions. We had had, Mr. Speaker, the Royal Commission appointed, and the leader of the Royal Commission, in this case, Mr. McNair and the late Sir Albert Walsh all had their doubts, and expressed in various ways the difficulty of the task which confronted them in dealing with a very difficult and

contentious and vague term. May I quote, Mr. Speaker, some of the remarks made by various people. Mr. Carl Goldenberg was the counsel in Newfoundland for that Royal Commission. He said: "I may say that the same issue arose in the hearing of the Royal Commission, as was indeed inevitable". I will just mention several of the passages in the proceedings of the Royal Commission where the question arose. At page 1504 of the proceedings, the Chairman of the Royal Commission, Chief Justice McNair of New Brunswick made this comment on Term 29 and the work of the Royal Commission. He said: "Anything we do here will have no binding effect". That was a quotation from the Chairman of that same Royal Commission. Further, at page 1512 and page 1513 the Chairman said, and this time his remark is replied to by Mr. Carl Goldenberg: (The very distinguished counsel who represented the Province of Newfoundland before the Royal Commission) "A number of questions arise in my mind, on this point, Mr. Goldenberg:

Our recommendation alone will create nothing binding". And Mr. Goldenberg replied: "No". Then further on page 1513: "Our recommendation alone has no effect..." Mr. Goldenberg: "It is only a recommendation to the government of Canada. Only a recommendation to the government of Canada".

Premier Smallwood: Has anybody suggested that the recommendation of the Commission would automatically carry themselves out? Would they not depend upon the government asking parliament to carry them out. They could not automatically carry them out themselves. That is all that says.

Mr. Renouf: That is the report of the Royal Commission — it would not be binding.

Premier Smallwood: Unless the government were willing, there is no way to make the government of Canada carry them out, that we know of, except public opinion. We know that.

Mr. Renouf: Mr. Speaker, may I at this moment suggest a few minutes recess.

Mr. Speaker: The hon. gentleman has, I

believe, if he wished to continue that long, another twenty-five minutes. Does the house agree to a recess of 10 minutes at this time?

On motion the house stood recessed for 10 minutes, after which Mr. Speaker returned to the Chair:

Mr. Renouf: Mr. Speaker, my concluding remarks will be very brief. I feel that I should not weary this hon. house and the spectators present by enlarging and elaborating on a subject which will be more fully supported by my colleague, the hon. Leader of the Opposition, in his remarks. I have endeavoured, during the past few minutes, to give you some idea of the conflicting points surrounding the interpretation of Term 29 and what it means, and all phases of its relations to this province. It is clear that Newfoundland was in need of financial assistance and that this Royal Commission, the McNair Royal Commission, had extreme difficulty in coming to the conclusion that it did. It sat for a considerable period of time. It was composed of very learned and earnest men, who did everything they could to study the problems of this province, and make recommendations that would be, to the best of their ability, of assistance to the government of Canada in these recommendations. As I said, they had extreme difficulty in making up their minds. They found the problem a very difficult one and they expressed their doubts accordingly.

Following the conclusion of that Royal Commission it was submitted to the federal authorities for their study and for their consideration. In the final course of events, there was an Act brought forth by the federal government, entitled, "An Act to Provide for the Payment of Additional Grants to the Province of Newfoundland". Here again we find some contentions arising all over again. We had contentions at the time of Confederation. We had the contentions upon the public hearings of the Royal Commission. We had the contentions of recent times where the recent federal Act was criticized from several quarters. The government of Canada had a problem to consider. The report itself was termed, in some quarters, an insufficient one. It was termed in far harsher language than that. It contained information it was difficult to digest.

It said there were weaknesses in the Newfoundland economy. It finally came out with a suggestion of \$8 million as a recommendation, to be paid to this province. The contentious part of that Term of course was whether it was in "Perpetuity", whether it was "Thereafter". The minds of many people got to work on wondering what the term "Thereafter" exactly meant. All these things would be tedious again to recapitulate, and I feel that the best interest of this debate would be served by my trying to express my opinions on the Act itself. May I be permitted, Mr. Speaker, to read the brief Act for you, not in full but in part.

"Whereas Term 29 of the Terms of Union of Newfoundland with Canada provided that, in view of the difficulty of predicting with sufficient accuracy the financial consequences to Newfoundland of becoming a province of Canada, the government of Canada would appoint a Royal Commission within eight years from the date of Union to revise the financial position of the province of Newfoundland and to recommend the form and scale of additional financial assistance, if any, that might be required by the government of the province of Newfoundland to enable it to continue public services at the levels and standards reached subsequent to the date of Union, without resorting to taxation more burdensome, having regard to capacity to pay, than that obtained generally in the region comprising the Maritime Provinces of Nova Scotia, New Brunswick and Prince Edward Island.

"Whereas pursuant to Term 29, by Order in Council P.C. 257 of the 21st day of February, 1957, a Royal Commission composed of the Honourable John Babbitt McNair, the Chief Justice of the Supreme Court of New Brunswick, Fredericton, New Brunswick, the Honourable Sir Albert Joseph Walsh, the Chief Justice of the Supreme Court of Newfoundland, St. John's, Newfoundland and Mr. John James Deutsch, Vancouver, British Columbia, was constituted under part 1 of the Inquiries Act; and "Whereas both the Government of the Province of Newfoundland and the Government of Canada have recognized the great difficulties inherent in determining future payments on an equitable

basis from the experience of one selected year; and..."

Premier Smallwood: What is the hon. gentleman quoting from?

Mr. Renouf: The Act, Mr. Speaker.

Premier Smallwood: May I be allowed by him to say: the inclusion of the government of Newfoundland in that is absolutely mendacious. We repudiate it. We have not concurred in it. We have never concurred in it, in expressing this view.

Mr. Renouf: You have joined in it, in expressing the difficulty of the whole problem.

Premier Smallwood: We have never done any such thing as stated in that Bill.

Mr. Renouf: "The government of Newfoundland recognize the great and grave difficulties arose over..."

Premier Smallwood: That is not what the Bill says.

Mr. Renouf: Mr. Speaker, may I have help? The Premier and other members have due and ample time to have their side of the argument —

"Whereas since the report of the Royal Commission was made, the government of Canada has proposed a comprehensive study of Dominion-Provincial financial relations in co-operation with the Provinces, and all the Provinces have agreed to participate therein, and

"Whereas in the course of such a review any special circumstance relating to the financial position of the Province of Newfoundland after the 31st day of March, 1962, would be taken into consideration; and

"Whereas pursuant to the recommendations made by the Royal Commission established in fulfilment of the obligation of the government of Canada under the said Term 29, it is now desirable to enact a measure to provide for additional grants to the Province of Newfoundland".

Mr. Speaker, I would like as well, to just quote the explanatory note.

"The purpose of this Bill is to authorize the payment of additional annual grants to the Province of Newfoundland in accordance with the scale contained in the report of the Royal Commission on Newfoundland's Finances that was appointed as required by Term 29 of the Terms of Union of Newfoundland with Canada".

Then the list of the grants is given:

There shall be paid to the Province of Newfoundland out of the Consolidated Revenue fund in respect of the fiscal years set forth in this section, additional grants as follows:

"Fiscal year 1957-58	\$6,600,000
1958-59	6,950,000
1959-60	7,300,000
1960-61	7,650,000
1961-62	8,000,000"

The question now comes up, Mr. Speaker, if this is a just and equitable plan for the implementation of the Term 29. It has been said by some people that this is inadequate in view of all the circumstances and that is a breach of the moral obligation or the spirit of Confederation. It has this contained in the Bill, i.e., it brings the payments up to 1962 with no cutoff at that period of 1962. There is a review embodied in this Act, a review on any special circumstances relating to the financial position of the Province of Newfoundland after the 31st of March, 1962, and it says that pursuant to the recommendations made by the Royal Commission established in fulfillment of that obligation of the Government of Canada under the said Term 29, it is now desirable to enact a measure.

I would submit, Mr. Speaker, that the clauses of this Bill, which after all is a Bill enacted by the Sovereign Government, the Parliament of Canada, containing a definite commitment in the form of a written assurance that a review will be given after the 31st of March, 1962. It was a great contention that the terms were being cut off in 1962. One must read these two paragraphs together to get a proper understanding of what this Bill means. It is contended that the wording — "special circumstances taken into consideration" — is strong enough or assurance enough that the interest of this Province would be safeguarded. But let me submit, Mr. Speaker, that the special circumstances relating to the financial position

of Newfoundland is tied in with the other paragraph, under the said Term 29. Surely Term 29 is one of the special implications and one of the special circumstances which will be related to the finances of this province in 1962. I do not think that you can read one sentence or one paragraph without reading the two together.

Premier Smallwood: Would the hon. gentleman agree both must be read together with the Prime Minister's statement, or would he ignore that?

Mr. Renouf: No, Mr. Speaker, I am on a very clear point here in scrutinizing the wording of this Act. This is the final Act. Resolutions, words that went before, arguments that went before, interpretations that went before are so much water under the bridge. They are gone. This is the Bill. It is the Bill that I have read from, a Bill, a Statute of the Dominion of Canada, a Statute such as the British North America Act, a Statute which does set down as clearly as one can reasonably expect that Term 29 is embodied for consideration and review at the end of 1962. We all felt that Term 29 relates to a special problem of Newfoundland, and we contend that Term 29, as written today, will be written next year, will be written in 1961, will be written in 1962. It is implied in this Act here, that Term 29, the special circumstances relating to the financial position of the Province of Newfoundland, after the 31st day of March, 1962, would be taken into consideration.

Premier Smallwood: Is that in the Bill or the Preamble?

Mr. Renouf: That is on the last page of the copy I have here, Mr. Speaker.

Hon. L.R. Curtis (Attorney-General): The Bill or the Preamble.

Mr. Renouf: It is in the Statute. It is a Statutory Foremat, and formal Statute, or this formal Bill, no matter what way you look at it, whether first or last, big print or small print, it is still a Statute, still the law of Canada, and I very firmly contend that Term 29 is not dead. Term 29 is not cut off. I contend sincerely and strongly that Term 29, about which some of us are so very much

upset, is still very much alive. I hope it will not be as difficult for us in 1962 as it has been all along. I feel that what we ask for, a review, is going to be given in 1962. A review, not a promise of a review but a review, in a Bill. A review will be given in 1962 and I feel nothing more reasonable could be submitted for our consideration here in Newfoundland other than this.

I will read in part, Mr. Speaker, and this is the important section — "Whereas in the course of such a review" (I will quote from the Prime Minister) "any special circumstances relating to the financial position of the Province of Newfoundland after the 31st day of March, 1962, will be taken into consideration." There is the Prime Minister's speech — a quotation in part from it — in the course of the debate. That is not now a debate only, that is now in the Statute, that is verbatim down in this Statute, in this Bill, it is down in the law of Canada — any special financial circumstances relating to Newfoundland will be taken into consideration in March 1862 — "Whereas in the course of such a review any special circumstances relating to the financial position of the Province of Newfoundland after the 31st day of March, 1962, will be taken into consideration..." These are the words I just quoted from Mr. Diefenbaker, the Prime Minister. "Let me make this clear: In that review regard and full regard will be had to assure these conditions inherent in Term 29" —

What could be more clear than that, Mr. Speaker?

Premier Smallwood: Is the hon. gentleman quoting the Prime Minister?

Mr. Renouf: Still quoting the Prime Minister.

Mr. Smallwood: About final and irrevocable?

Mr. Renouf: Nothing to do with it.

Premier Smallwood: Why not that government policy?

Mr. Renouf: The government policy, Mr. Speaker, has nothing irrevocable in this Bill. If there was anything irrevocable said, it goes unsaid now in this Bill.

Premier Smallwood: It has not.

Mr. Renouf: That Bill keeps us under Term 29 in 1962. Our special financial circumstances will be reviewed in 1962. In that review, says the Prime Minister, "regard and full regard will be had to assure that these conditions inherent in Section 29 be upheld to the end that Newfoundland shall enjoy a reasonable degree of equality of opportunity along with other provinces in this country". I contend, Mr. Speaker, that as far as possible, as far as humanly possible, we have been given the assurance, not a verbal assurance, that our situation will be re-examined in 1962. May I suggest, Mr. Speaker, that at least we give some reasonable thought to this Bill. May I suggest that before we start flying off the handle we let this sink in for a bit. May I suggest that, in all reason, is there not more than a grain of assurance in this Bill? I contend and I declare again that this keeps Term 29 alive. I contend that, in 1962, this province will be given a revision under a Commission. It is true, Mr. Speaker, that a comprehensive study has been suggested of the financial relations. That may not be quite adequate. It has been called a seminar, and called other names, but here is a suggestion I was going to make — I referred to it in the early part of my speech — we must not pick on every little snick and snag. We must not quibble on insignificant detail. We must not quibble as to whether it is in the preamble or in the end — has Mr. Diefenbaker got a carnation in his button hole or has he not? — the minor little things we have been irritated about, the chip on the shoulder, we have shown.

Premier Smallwood: We have no right to be suspicious?

Mr. Renouf: At the present time, we have to be reasonable, let us put it that way.

Premier Smallwood: We have to have faith? We must believe in him?

Mr. Renouf: It is down in the Act. We don't have to believe anyone. It is down in the Act. Mr. Speaker, my suggestion is this: If this reference to the form of Commission or study is controversial, if after having done all that is reasonable, if we are still not satis-

fied, if we still feel it is not the proper form of investigation, that it could be termed a seminar, it could be called a study group, something else, I would suggest, and I feel sure, and I go further than that, I know that if we want to have the form of that commission of enquiry as we want it we can get it, we can get it. Now is this final thing going to stop a sensible solution to this whole problem — Surley, in the Name of Heavens! —

Premier Smallwood: We are told this now. Why were we not told before it was passed? Why did they not consult with us?

Mr. Renouf: Mr. Speaker, may I ask for a final moment free of interruption? I am interpreting in a reasonable way. If what the Premier suggests had been asked in reason, in coolness, in courtesy, in calmness, the Prime Minister of Canada and any of our fellow Canadians, reasonable men, whom we have eaten with, met with, they are common-sensed, like ourselves, fellow Canadians, they would have listened to anything within reason. My suggestion is that this house take time off from meeting in assembly to talk over in what way we would like to have our review take place; in what way we would like to have a Royal Commission or any other form get together and I am sure, I have no doubt whatsoever, that if that will satisfy us, another review, what we have asked for, another Royal Commission which we might like, that is the simplest thing in the world to achieve.

Premier Smallwood: I asked the Prime Minister in January.

Mr. Renouf: Relationships were not at all times at the best.

Premier Smallwood: Perfectly friendly then.

Mr. Renouf: I ask you, instead of this Resolution which is submitted for our consideration here today, instead of that Resolution, if we in the calmness and coolness of a meeting, free from the glare of publicity, free from the loud speaker, free from the "TV", free from the press, free from any irritation —

Premier Smallwood: Free from the people, the public?

Mr. Renouf: — we will get from the government of Canada the form of review we would like in 1962. And I suggest, I formally make the suggestion that we all think that over, and before this Resolution is put at all, that we take the alternative course of seeing what kind of a formula or machinery we can work out for the review that is contained in this Bill. Until that happens I think we are avoiding our responsibility, I think we are taking a course that cannot be justified. I think we have to think as statesmen and not as politicians. I think that we have to sit down — we all know each other — we can sit down to reason in the proper setting and get a satisfactory suggestion, which I am confident, and I make this solemnly and in public — I know that we can get from the Prime Minister of Canada, we can get from the Dominion of Canada —

Premier Smallwood: Are they getting scared?

Mr. Renouf: And we can be satisfied our province will be looked after, because no province in this Dominion will be allowed to perish, no province will be allowed to wither away. We know that. We know that in our hearts. Everyone of us know it.

Premier Smallwood: No contract torn up?

Mr. Renouf: The concept of Confederation will not allow one section of this Dominion to decline. We know that, and yet we quibble, yet we will not sit down, we will not take a calm, cool, reasonable attitude to this whole thing. I suggest and I beg and I implore it, before this mess is made worse, that we have a further study in peace and calm and in quiet. Until that happens I cannot support the Resolution, as suggested.

Mr. Hollett: Hear! Hear!

Hon. M.P. Murray (Minister of Provincial Affairs): Mr. Speaker, I rise to support this Resolution. Before doing so, Sir, I would like to make a brief reference to the action taken by my two friends, the member for St. John's Center (Mr. Duffy) and the member for St. John's East (Mr. Higgins) the other day in this house. I have known both these gentlemen, Mr. Speaker, for a long time now.

Mr. Hollett: Speak to the Resolution.

Mr. Murray: Mr. Speaker, yes the Resolution. Before I say a few brief words, as I proceed to do, as I said — I have known both members a number of years.

Mr. Hollett: A Ministerial statement?

Mr. Murray: Trifling, piffling. I am going to pay tribute to two hon. gentlemen today. I was proud of both these gentlemen. I went to school with both these gentlemen. I have known them all my life. I am proud of the school they went to because of the course they took, and I am going to say, the old Brothers that instructed them and tried to instruct all of us in what is right and decent conduct, I say, these old Brothers would be proud of them too when they saw their action taken the other day. That is what I wanted to say before I start to deal with the Resolution. I am not so proud of the attitude taken by my other classmate here, Mr. Speaker, the member for St. John's South (Mr. Renouf). The hon. gentleman, I don't say anything about his strength of character but I do say something about the strength of his argument. The voice, Sir, the hands — these were the hands of — I say it is not difficult to know whose voice it was — his speech certainly put me in mind of a little gramophone record we used to see, with a little dog sitting by a big gramophone, with a big funnel and marked underneath — "His Master's Voice".

Mr. Speaker: I must warn the hon. Minister not to become personal.

Mr. Murray: I am not getting personal. I am saying what the speech of the hon. member reminded me of. I propose, Sir, not to be personal with the hon. member but to deal with the arguments he made, when I come to them in the proper place in my address. I would like to say, Sir, turning to the Resolution, that I do believe quite honestly and sincerely that this matter, the matter contained in this Resolution, is amongst the most momentous ever to come before this house. And this is a big statement to make. In this house, since 1832 there have been great decisions made, decisions which affected Newfoundland, the French Shore Question, the Reid Contract, Confedera-

tion in 1867 and 1894. These were matters which affected Newfoundland and affected the generations coming after, what legislators decided on in these days. And I believe myself, quite honestly and sincerely, the subject matter in this Resolution is of just as much moment and fraught with just as many implications to ourselves and to our children as any matter ever brought before this house.

Now, Sir, that may seem a little high-flown statement to a man out in St. Shotts, perhaps, listening to me now, or in Renew's, out hauling his trap this morning and worried about whether he sells his fish to the plant or whether he should heavy salt it or light salt it or how much he will get for it, or how many stamps he gets for the winter time. To him, Term 29 must seem very remote, it must seem like quibbling lawyers, or constitutional lawyers talking logically. But, Sir, Term 29 is not remote. It affects all our lives very, very closely, and it affects not alone the lives of this generation but, as I see it, it affects the lives and the way of living and the livelihood even of the generations that will come after us. It will affect, Sir, and Term 29 does affect, the kind of schools and the number of schools and the quality of our teachers and the grading of our teachers in the future. It represents what kind of hospitalization we are going to have and what kind of hospital services, what kind of roads we are going to drive over in the future and the extent of these roads. That is what Term 29 means. It means how our welfare services will continue, and the extent and the value of these welfare services. That is what Term 29 means. It is nothing remote at all, not just an abstract legal point. It is something which impinges very closely and nearly on the lives of all of us. We believe implicitly, on this side of the house, we believe that Term 29 guarantees to Newfoundland forever a certain minimum standard of public services. Forever, as long as certain conditions last. We believe that guarantee was torn up, that the guarantee was discarded unilaterally, brutally, by brute force, without consultation with anybody. That is what we believe, and that is what this Resolution sets forth.

Now, I believe anyone dealing with this Resolution, Mr. Speaker, will have to be repetitious. Term 29 is on the mat now for a long time, a number of years and all that can

be said, I believe, has been said and well said already. But, I do believe this also: Repetition might be what is necessary right now. We must make our point clear, where we stand on Term 29, not alone to this house but outside, to all the people of Newfoundland. We have to make it clear where we stand. But if we do so, we must make our position perfectly clear, as far as we can do, to all the people across Canada. We have to make our case crystal clear. And, if it has to be done by repetition then repetition it must be. I believe, Mr. Speaker, in a time like this we have to blazon our case from the roof tops.

Now, what does this Resolution deal with? It deals entirely with the Terms of Union and, further than that, it deals in its entirety with one term of the Terms of Union, Term 29. What are the Terms of Union? — As this Resolution sets forth as a statement of fact, and it is unquestionably a statement of fact, Mr. Speaker, Term 29 was accepted and adopted by the Parliament of Canada. It was accepted and adopted by the Parliament of the United Kingdom and by the duly constituted authority in Newfoundland, as at that time we had no Parliament of our own. Therefore, Term 29 is embodied in the British North America Act and forms part of the Constitution of Canada. In other words, what we are saying is — we went through everything that was necessary, everything that it was necessary to do was done to make Term 29 part of the Constitution of Canada. It fulfilled all the legal requirements, all the necessary procedures were gone through to make it part of the Constitution of Canada.

Now, why do we stress that so much? Why the seeming emphasis on the Constitution of Canada and the British North America Act? To people who perhaps know nothing about Constitutional Law or the British North American Act, it seems just harping on that and raising, perhaps, a furor about nothing. But, as we know, Mr. Speaker, Term 29 is a fundamental law of Canada itself; Term 29, which sets out and establishes and defines for all time, forever, the rights of individual provinces within the Union, the bulkwork of Confederation. My hon. friend over there said the British North America Act has been amended 20 times, and 500 cases have gone before the Privy Council in Britain — and that is so —

and that the British North America Act has been amended. But was there ever a case, Mr. Speaker, up to now, where the British North America Act was amended by unilateral action, when one bit of the British North America Act was changed except by two-way agreement by the parties, mutual agreement or due process of law? It was never done, Sir, from 1867 to a few days ago. The British North America Act was held inviolate, sacrosanct almost immutable except, as I say, between the parties concerned, or due process of law.

And, why? Because it is to the British North America Act that the provinces look for their rights forever. It is to the British North America Act that little Prince Edward, eighty thousand people, look — without the British North America Act little Prince Edward Island would be nothing. But it looks to it to maintain its identity and autonomy, and any interference by any other provincial or federal government, all Canada, without exception, would be up in arms. It is the British North America Act that guarantees to Quebec the language and religion and culture of Quebec. And, if any one attempted, even made a suggestion, of infringement on that, Sir, Confederation would not last five minutes afterwards. These rights are safeguarded under the British North America Act. Due to the terms that British Columbia made with the Union when it came into Confederation, British Columbia looks to that as a safeguard today, and if there were any attempt of infringement on these rights, if tomorrow the federal government said that the railway over the Rockies was to be suspended, British Columbia would certainly fight and certainly be right — we say that is exactly the case with us. Our part of the British North America Act and the Constitution of Canada is Term 29; and we say that has been torn up and thrown in our faces, without consultation with us. That is what we are talking about. We say it is a treaty, and we have good constitutional authority for saying so.

Mr. Pearson, I think, is a man most people regard as a constitutional authority. In the House of Commons about 10 days ago, Mr. Pearson referred to Term 29 and the Terms of Union as a treaty, as a pact, a treaty existing between two countries. And how can a treaty be fulfilled? A treaty, Mr.

Speaker, can only be changed in two ways. It can only be changed by mutual agreement between the two parties making the treaty or by force. These are the only two ways in which a treaty can be changed.

Mr. I. Mercer (Fogo): Force was used here.

Mr. Murray: Mr. Speaker, we claim our treaty has been broken by force. And to break a treaty has always, among civilized nations, been considered something particularly base.

Mr. Hollett: Make war.

Mr. Murray: War! If war is the only recourse and people were not strong enough to wage war they had to put up with it, or protest. But it has always been considered base, always considered, I suppose the acme of perfidy, for one nation to break a treaty with another. The Irish people believe that a treaty was broken, the Treaty of Limerick, rightly or wrongly. That occurred something like 300 years ago, and has been a source of bitterness ever since, a festering sore ever since, because they believe the treaty was broken. The First World War was over a treaty, the neutrality of Belgium, and that had to be enforced by force by many years. The Second World War was over treaty, the Treaty of Versailles. So we can see, Mr. Speaker, what happens when treaties are broken is something not to be taken lightly. We believe that Canada entered into a solemn obligation with us under Term 29. We believe that we attained certain rights under Term 29. We believe that these rights have been thrown out the window.

Mr. Hollett: Excuse me! What rights?

Mr. Murray: I was going on to say: Term 29 is something, I think, we are all fairly familiar with — “In view of the difficulty of predicting with sufficient accuracy...” As the Premier said yesterday: “In view of the impossibility of predicting with sufficient accuracy”. At the time these terms were written, what would happen in the ensuing years? We must remember, as the Premier pointed out — At that time these terms were written our sources of revenue were taken from us, our income tax, our succession duties, income we derived from customs

and excise duties, these were all taken over by Canada, and it was impossible, I suppose, for anyone not a prophet, to predict with any certainty at all, not with sufficient accuracy but any accuracy at all, what would happen in the ensuing years — That was put in, as I see it — the government of Canada said they would appoint a Royal Commission. For what? to review the financial position.

Now, it has been maintained that is all the Commission had to do, review the financial position. In other words, a Commission would be set up and would prepare some sort of a ponderous document which would be put in the Archives of Canada forever, and probably be looked up by some scholars and statisticians in years to come. Was that what Term 29 meant? Would any member, Mr. Speaker, any delegate from Newfoundland, ever have signed these Terms if they had thought that all Term 29 meant was a review. If for instance, instead of a review, a Royal Commission, if it had been put in here that, at the end of eight years we will have a professor of economics from McGill or a constitutional lawyer from Toronto University sit and get them to review the position, and nothing more to happen out of it — do you think any member of the Newfoundland delegation would have signed the Terms then? Do you think the Premier would have signed it, the late Sir Albert Walsh, with his legal acumen, do you think he would have signed if he did not implicitly believe more was to be done than just a review of the position existing in Newfoundland after eight years?

But it goes on to say more — the Commission was to do more. It was to recommend — What was it to recommend? The finances required, if any the additional finances required to continue the public services of Newfoundland at the standard and levels then reached, without resorting to taxes more burdensome etc. Now what does that mean? I can only see one reason for it myself, Mr. Speaker. I don't know what anyone else can see. What this means to me is that Newfoundland was to do all they could, one of her own revenue, to keep the public services going, but if she were unable to do so there was an obligation, a contractual obligation. That is what Mr. Diefenbaker said on the 25th of March — a contractual obligation that Canada would make up the

difference to keep it going. If it took \$10 million to keep it going, and we could only raise \$8 million there was a contractual obligation on the part of Canada to make up the difference. And that was to go on for how long? For as long as the condition lasted, not for five years nor 10 years nor 15 years, but in perpetuity, if these conditions lasted in perpetuity.

Mr. Hollett: Who said that?

Mr. Murray: That is my interpretation. It seems to me as simple as daylight. Mr. St. Laurent said it was the desire of the Canadian people at that time, and the Canadian Government and people who negotiated the terms, it was their desire to bring up the services of Newfoundland to something like the services obtained in the rest of Canada, because as Mr. St. Laurent said, "Peace is indivisible" — So is prosperity, and it is not much use to Canada to have a prosperous Ontario and a prosperous Alberta and Quebec and poor little starving Newfoundland with nothing. And, they said the services in Newfoundland were to be brought up to something like the Canadian level, first of all by the transitional grants. The express purpose of these grants was to build up our services in Newfoundland to something like the Canadian level, and after the transitional grants were exhausted this Royal Commission was to make recommendation on the financial situation.

Mr. Hollett: Before it was exhausted.

Mr. Murray: Yes! On a diminishing scale and before they were exhausted a Commission would be appointed, merely as an agency, to recommend to the government of Canada what, after Newfoundland had made her contribution, was needed in addition to keep these services up. It was a guarantee, as I read it, that the public services of Newfoundland would never, as long as Canada existed, be allowed to go below the level than existing, and if that was perpetuity, perpetuity it had to be. What else? Why is this Term 29 put in the North American Act? Mr. Speaker, surely these words mean something. They are not a mumble-jumble. Were they put there just to give the Queen's printer something to do?

Mr. Hollett: We received \$17 millions yesterday.

Mr. Higgins: Did that cheque arrive yet, by the way?

Mr. Hollett: Oh Yes!

Mr. Murray: To assure that the Terms of Union or the payments under the Terms of Union were to go on as long as this condition lasted, as long as Newfoundland out of its own revenue was not able to make up what these services cost, Canada was to make up the difference. That was to go on as long as that condition lasted, 20 years, 50 years or 10,000 years. The financial grants in aid, to my mind, were to go on as long as the condition lasted.

Mr. Hollett: We all imagine that — that is what in perpetuity means.

Mr. Murray: That is what is meant by in perpetuity.

Mr. Hollett: As long as the condition lasts.

Mr. Murray: Mr. Speaker, as I say, Term 29 was put into the British North American Act for something. It has some purpose. It was not just put there to pad out the Terms of Union, not just a bluff. Will anyone say now that when these Terms were being negotiated that Term 29 was just put there to delude the Newfoundland delegates? Was it put there just to delude them into thinking they were obtaining something they were not in fact getting? It was put there, as I said, and as Mr. St. Laurent said, in the full belief that, when a Commission made recommendations the legislators who would be in the House of Commons at the time of the recommendations would carry them out.

Mr. Hollett: Haven't they done it?

Mr. Murray: They have not, Sir. That is the point.

Mr. Hollett: Up to 1962.

Mr. Murray: Up to 1962, is that as long as the conditions last? — "irrefragable and irrevocable". Mr. Diefenbaker said on the

25th of March: "These are in full and final settlement of all the Terms arising under the Terms of Union" Cut off as at 1962. That is what Mr. Diefenbaker said then, and Mr. Diefenbaker said then, and Mr. Diefenbaker and the government brought in a Bill a week ago, this Bill in the House of Commons, which says exactly the same thing as Mr. Diefenbaker said on the 25th of March. In that Bill there was not one jot or tinkle altered. There are two sections in it, a preamble, which is not law. (Any lawyer in the house can tell you that there is no force at all there). There are two sections in this Bill, one which follows absolutely Mr. Diefenbaker's declaration on the 25th of March — It says a payment of \$6 millions in 1957 and \$6,950,000 in 1958, and \$7.3 million in 1959 and \$7,656,000 in 1960-61 and \$8 million in 1962. That is what this Bill says and nothing more. The other sections set out how that money is to be paid. It shuts off in 1962. And the hon. Leader of the Opposition says that is Term 29. I wonder, Mr. Speaker; it is beyond me how any man, any reasonable, rational man can say this Bill fulfils Term 29. I personally cannot see it.

Mr. Hollett: May I interrupt to ask the hon. Minister a question? Is he in a position at the present time, or is any Minister on the opposite side in a position, to tell exactly what we shall need in 1962? Never mind the "thereafter".

Premier Smallwood: That is what the Tories said — "Never mind thereafter" We do mind. We mind very much.

Mr. Hollett: You had better mind the hereafter.

Mr. Murray: In answer to the hon. member's question: I am in no position to say what will happen after 1962. Neither was Diefenbaker. The Premier of Newfoundland is not in a position to know what will happen, the people of Newfoundland don't know, Diefenbaker is not in a position to say what will happen after 1962. He has apparently given our hon. friend some inside information. That is not the way it should be. That is not the way the Terms of Union should be, the British North America Act — It should be in this Bill, and I should not have to be asked what is to

happen after 1962 and nobody else should be. It should be made plain to every person in Newfoundland and in Canada, what should happen in 1962.

Mr. Hollett: How?

Mr. Murray: By putting it in the Bill. By not deviating one inch from Term 29, by putting it in this Bill — this Bill, in pursuance to Term 29 and, in 1962 in pursuance to the Terms of Union, pursuant to the Constitution of Canada, a further review will be held. That is what should be in the Bill. But, following the recommendations of the Royal Commission of McNair Commission, to grant \$8 million a year "thereafter" — Is thereafter after 1962?

Mr. Hollett: Whether we need it or not?

Mr. Murray: Until there would be a review, agreed to by this government and by the government of Canada, not something done by brute force, not something done unilaterally. When was a treaty ever acted on in that way rightfully? If we know what happened, Mr. Speaker, we know that after the Commission sat — first of all there was the Lewis Commission, which sat four years, and had the best men we could get in Newfoundland on it, men who knew every aspect of Newfoundland life and the best legal talent we could get and the best economists. They sat down for four years and made enquiries and made the most exhaustive survey Newfoundland ever made, and called witnesses from everywhere who had to do with Newfoundland. And, they made a recommendation for \$17 million. The Lewis Commission said that was what was needed to keep up public services, between what Newfoundland raised and what the services were costing. We know what happened after that. The McNair Commission sat on it. We know what they recommended, so many dollars up to 1962 and thereafter \$8 million a year — "Thereafter". It was asked in the House of Commons the other day — What does thereafter mean? What other meaning could be put on it, as Pickersgill said, than "Thereafter". When the \$8 millions were recommended we were dissatisfied, but mind you, there was never any question about the legality of the recommendation. If the Diefenbaker government

had taken that \$8 million then and given it to us we would have no beef. We could beef, but there certainly would not have much substance to that beef. We were dissatisfied. Then what happened? This was the supreme joke of the whole affair. We were dissatisfied we were getting \$8 millions. And Diefenbaker said, because we were dissatisfied, he would give it consideration, and the Bill would be introduced afterwards. And, we were delighted. God help us! We were delighted (the irony of it) because he said — Mr. Diefenbaker thought we were dissatisfied, and the natural thing anyone would feel, if a man in power thought we were dissatisfied, and comes along and says he is going to do something about delaying it, we were delighted. Mr. Diefenbaker, a man of vision, his heart breaks for the undeveloped part of Canada. He said so, and we thought he was the man for us.

Mr. Hollett: Yes, we thought the Prime Minister noticed our dissatisfaction. We were tickled pink. It was costing us money, costing us \$600,000 but we said it was worth it because Mr. Diefenbaker was giving it consideration — it was well worth the money. And I suppose we were justified in thinking that Mr. Diefenbaker, realizing this was the final act between two countries united forever, he was going to be a little generous, going to see a little of that vision that was expected, because we had been complaining that the report of the Royal Commission while it was legal enough, we thought a little unimaginative, not generous enough. We thought so. We thought Mr. Diefenbaker was going to breathe the breath of life into this sort of lifeless document and we were going to get a really good deal. We said so in the Resolution passed at that time, September 3rd., and I think agreed to by the hon. Leader of the Opposition. "The Prime Minister's announcement is all the more welcome to this house because of the reason he gave for it, namely, that there appears to be some dissatisfaction in Newfoundland as to the size of the amount". And, that was welcome to us and welcome to the hon. members over there and welcome to everyone.

Mr. Hollett: I am dissatisfied now.

Hon. E.S. Spencer (Minister of Finance): Every Newfoundlander would be.

Mr. Speaker: Order! There must be more order in this house. I am dissatisfied with the order in this house at the present time.

Mr. Hollett: Hear! Hear!

Mr. Speaker: I note some noise from strangers in the galleries. That must cease immediately.

Mr. Murray: Mr. Speaker, we know what happened. As I say, it is repetitious that on March 25th., Mr. Diefenbaker came out with the famous, or rather his infamous, statement saying that what he would do, and that his was in final and irrevocable satisfaction of the contractual relationship relating to Newfoundland and Canada. And we know that only a week ago this Bill was brought into the House of Commons following on the Prime Minister's statement, and which does not vary from the Prime Minister's statement one jot or mite. This Bill, Sir, sets the final and irrevocable seal, if it stays as it is, on the Terms of Union. The Terms of Union, as the Resolution sets out, has become null and void by unilateral action of one party to the contract.

Mr. Hollett: Mr. Speaker, may I interrupt to ask the hon. Minister to read the explanatory note on that Bill.

Premier Smallwood: Is that part of the Bill, will it appear in that statute, will any court see it?

Mr. Murray: The explanatory note, like the preamble, has no bearing whatsoever. It is an expression of intention. Is it seriously maintained, Mr. Speaker, that we should give up our unquestioned and our undoubted rights under Term 29, under the Constitution of Canada, under the British North America Act, are we to barter that away for a nebulous advantage, a nebulous statement, an explanatory note which has no legal significance whatever? This means nothing. Term 29 means something embodied in the Constitution of Canada. This means nothing.

Mr. Hollett: We received \$17 million yesterday.

Mr. Murray: We have \$17 million we are

entitled to from Term 29.

We should get another \$8 million, \$8 million and \$8 million, and \$8 million thereafter, until the government of Newfoundland and the government of Canada agree, or otherwise thereafter.

Premier Smallwood: That is the treaty.

Mr. Murray: Mr. Speaker, there have been various attempts made to explain this shameless betrayal — no other words fit the position. The Minister from Newfoundland (Mr. Browne), in trying to explain it, has pointed out how generous the Diefenbaker government has been; he referred to transitional grants and referred to unemployment insurance and referred to tax rental agreement, what we get under the equalization grant. "Look", he said, "how good we are to you". Forget about Term 29. Forget about rights under the Constitution, look how good we are to you". But, Mr. Speaker, all the rest of Canada, all the other citizens of Canada get these things. That is no substitute for Term 29, our special right.

Mr. Hollett: More generous than Liberals.

Mr. Murray: Granted, but not what we are entitled to under the Constitution. Mr. Speaker, if there were an infringement on the language or religion of Quebec, if the federal government tried to infringe on these rights, and a Minister got up in Quebec and said — "Forget it. We are giving you the baby bonus and old age pensions and unemployment insurance", would that satisfy Quebec? Would such a man be booted out? I am putting the position, and I think it is a reasonable position. I am saying this: This is what we get, like all other Canadian citizens, and it is now substituted for our rights under the Constitution. It the railway across the Rockies were cut out tomorrow by the federal government and the Minister for British Columbia said — "Your unemployment insurance went up twice last year and there was more under the Tax Rental Agreement" — how would such a man fare at British Columbia's hands?

Mr. Hollett: Fly over the Rockies then.

Premier Smallwood: Fly somewhere else. Nowhere else he could fly to.

Mr. Murray: I think the Minister for Newfoundland has taken an extra-ordinary attitude in all this matter. When the announcement was made the 25th of March he said nothing. Mr. Diefenbaker, said the Term would be cut out after 1962, "null and void", and Mr. Browne, when asked for his opinion, what did he say then? Mr. Browne said: "I am only one man!" He said, "I can't ram my opinion down 22 other men's throats!" That was his excuse. Now what opinion did he have? Well, Mr. Speaker, it seems to me he did not succeed in ramming his opinion down other men's throats, but they certainly succeeded in ramming their opinion down his throat, and in turn he is trying now to ram it down the throats of 450,000 Newfoundlanders, and having a job to do it. What I am trying to say: I think our Constitution was violated. I think everyone listening agrees. I say, and probably will be saying for the next couple of weeks, I say these are definite rights under the British North America, and I am saying these rights have been torn up and thrown out the window. That is what I am saying. The Commission said \$8 million as far as 1962 and thereafter. I say that has been cut out and all we get in place of it is a vague promise of nothing.

Mr. Hollett: We want more than \$8 million. You are satisfied with \$8 million.

Premier Smallwood: No we are not!

Mr. Murray: Mr. Speaker, this Resolution before this house, after citing all these things, after citing that Term 29 is part of the Constitution of Canada, after saying our rights under that must be considered as any other Constitution in Canada, after stating these rights should not be amended — after saying Term 29 provides for the continuation of Newfoundland's public services by continuous grants by the federal government, after stating Term 29 is meant to ensure that Newfoundland's public services should be as good as any of these for the Maritime province (because we are not going to reach that stage for another twenty-five years, at least twenty-five years) and after saying Term 29 is not for the purpose of providing for any improvement in the levels and standards of Newfoundland's public services as they

were found by the McNair Royal Commission but only with their continuation, and also, that Term 29 and its strict and honourable enforcement, does not, and was not intended to, deprive Newfoundland of any grants or other forms of assistance made generally available to all or any number of the other provinces of Canada, and does not in any sense or degree reduce Newfoundland's general rights as a province of Canada, after saying all that, Mr. Speaker, it says: — "This house notes with deep regret that the present government of Canada, through the announcement of the Prime Minister, and the legislation recently enacted, have, without the consent of this house or of this government of this province, decided that the sacred rights provided by Term 29 shall become null and void after 1962."

I go further, Mr. Speaker, I say, we note it with deep dismay, resent it with bitterness and bewilderment. I say we just cannot conceive such a thing could happen. And, it says, and I have pleasure in joining in that: "This house affirms its deep loyalty to the union of our two countries (Canada and Newfoundland), to the Terms of that Union as they are written into the Constitution of Canada, and in particular to the rights, solemnly provided for Newfoundland in this Term". I have pleasure in joining in that affirmation of deep loyalty to the union of our two countries. I have, Sir, been lucky enough to be from one end of Canada to the other, I have been lucky enough to meet a great number of my fellow Canadians in the past few years, and I certainly go along with that. I think, Sir, we belong to a great nation, to which I personally have no reservations whatever about giving all my loyalty.

But, Sir, we cannot, as this Resolution sets out, regard any legislation made by the government of Canada, by the either-or-all which apparently the hon. gentleman has over there, or by written assurances of individual ministers, we cannot, Sir, adopt anything as a substitute of our Constitution. We just can't do it, Sir, as the elected representatives of the people of Newfoundland. We will strive by all proper means to procure from the Parliament of Canada, and that means may come around perhaps sooner, Sir, than some people think, but we must never cease to fight for the unequivocal ac-

ceptance of Term 29 as a solemn and abiding guarantee of the rights of Newfoundland. For that, Sir, there can be no substitute. We say we believe firmly, on this side, conscientiously as we can see it, we do believe our rights have been invaded. We believe our rights have been invaded by the present government of Canada and we do say, Sir, and affirm this in the Resolution, that we will not cease our resistance, never, never cease our resistance, by whatever means we can do it, by whatever media we can use whether in this house or outside this house, whether by television or radio or by pamphlets, or whatever means whatsoever, whatever means we can use — we will never cease our resistance until our rights have been fully restored.

Mr. Hollett: Mr. Speaker, I ask leave to adjourn the debate.

On motion debate adjourned.

Hon. L.R. Curtis (Attorney General): I move, Mr. Speaker, the house on its rising do adjourn until tomorrow, Thursday, at three o'clock.

Thursday, July 23, 1959

Afternoon Session

The house met at three o'clock.

Mr. Speaker in the Chair.

PRESENTING PETITIONS:

Hon. M.M. Hollett (Leader of the Opposition): Mr. Speaker, I have here a petition, which I have been asked to present to this House, and which I do with pleasure. The petition is: "To Her Majesty's House of Assembly, in regular session convened. We, the petitioners, are residents of Thorburn Road, which we make use of both as pedestrians and occupants of motor vehicles. We, your petitioners humbly pray Her Majesty's Government will take note of the condition of the road known as Thorburn Road. The type of material which has been used in the repair of this road from time to time is not at all suitable for the improvement of the road and indeed makes the road hazardous not

only to vehicles driving over it and their occupants but also to the pedestrians that have to use this road from time to time, including school children. We do not find fault with the personnel of the team making repairs from time to time, but only with the type of material which is being used. We, your petitioners, therefore humbly pray that the department concerned within the government should take note of this our petition and make an effort to make some improvement so that the Thorburn Road can be used safely both by pedestrians and occupants of motor vehicles."

Now, Sir, this petition is signed by some 260 people, voters, as far as I know, all of whom live in that area and all of whom from time to time have to use that particular road. I know I have had several complaints from people in that area in connection with the condition of that road. I am quite sure I don't know the answer but I do believe the department of Highways will find the answer, and I do implore the minister and the government to take note of this petition. I ask leave to lay it on the table, Mr. Speaker, with the request that it be referred to the department to which it relates.

Mr. Nightingale: Mr. Speaker, as the member for St. John's North, I might say this particular road, we know, is in a very dirty condition, as every road is in a dirty condition which is not a paved road. It is our ambition in this government to eventually get enough money to pave these roads, when we get through with this particular Bill. I might say this much, we have spent a lot of money on that road, putting new material on it. It is a long road. As a matter of fact, St. John's North district, is the biggest district in the whole community. I have from Shoe Cove, Pouch Cove, Bauline Line, Portugal Cove along to Windsor Lake and right out to Thorburn Road, St. Phillips and then we also take in the Kent's Pond Road. Now that is a very big district, and I may say these people admit these teams there are doing a wonderful job, and the material they get is as good as they can get in the present gravel pits. I don't know what the minister thinks. Everybody is after him to get out on the roads, and it would be much better if the country could get the money to pave the roads. I have asked for toll roads before. The minister knows that a toll road

would be paid for by the 25,000 or 30,000 cars in the City of St. John's, instead of going bumper to bumper out Topsail Road every holiday. And since these people eventually pay for it — we had at one time a complete connection of the beautiful Marine Drive, when we had about 600 cars, but there are now 30,000 cars waiting for a new place to go. Mr. Speaker, those are my sentiments on this.

Mr. G.R. Renouf (St. John's South): I wish, Mr. Speaker, to say a word in support of this particular petition as presented by the hon. Leader of the Opposition, and to say we have regard for all the problems of all parts of this province.

Hon. Dr. F.W. Rowe (Minister of Highways): Mr. Speaker, in regard to the petition which has been tabled here by the hon. Leader of the Opposition, and so well supported by the hon. member for St. John's North and the hon. member for St. John's South, I am able to inform the house that it is part of the government's plan to pave that particular stretch of road. The government attaches great importance to it, not only because it is used by a large number of people but because of its historic importance in the life and culture of the province. We hope to pave the road as early as possible, which I am quite sure will not be this year. On motion petition received for referral to the department to which it relates.

ORDERS OF THE DAY:

Adjourned debate on Resolution Re: Term 29.

Mr. Speaker: The hon. the Leader of the Opposition adjourned the debate and has the floor:

Hon. M.M. Hollett (Leader of the Opposition): Mr. Speaker, it is in a most unusual position or session that we find ourselves in this house, surrounded as we are by microphones and what-not and sometimes bright lights, and one is hesitant on an occasion like this to make too many remarks. I do say to this Resolution, Sir, that already too much has been said which would be better have been left unsaid; Now to get

down to the business in hand: This house is asked to support a lengthy Resolution, which I shall read, if not in whole, in part. Let me, however, before proceeding, state that we have had one or two other Resolutions presented to this house in recent months, and I would like to point out, Mr. Speaker, that we of Her Majesty's Opposition did, and have unanimously expressed support for both of these Resolutions which came in; in the first place because we deemed it our duty to lend our support to any matter which was brought forward in order to insure the well-being of Newfoundland and the interest of the people of Newfoundland. In the other case, Sir, we too gave our support. That was in connection with the subject matter about which this Resolution is tabled here today.

That Resolution, Sir, was brought forward by the hon. the Premier at the time when the McNair Report was brought down; and that Resolution stated, in effect, that the \$8 million awarded under the terms of the McNair Commission Award were not sufficient, in our opinion and in the opinion of this house, to keep the levels of public services which existed in 1957 to their present standard. That is to say, \$8 millions was not sufficient to do that. And we all, every man in this house, as far as I remember, joined in that resolution. In addition to that, I am informed, the Premier and a delegation did go to Ottawa later, on the same matter. And I do know for a fact that we of the Opposition did have a delegation in Ottawa to press the point which we had made in that Resolution, and that was that, in our opinion the \$8 million award by the McNair Commission was not sufficient to keep up the level of our public services to that which would be demanded if we were to take the 1957 level as our standard.

I mention these two facts, Sir, to show to you that we of Her Majesty's Loyal Opposition have now (as indeed is our bounded duty) and always have the welfare of Newfoundland and her people at heart first, last and always. We took the stand on both these occasions, Sir, without regard to any political favours, either from those people who elected us, and without regard to any political favours which might be showered upon us from any other source. We took this stand because we believed in the stand which we had taken, and not because of any

political interference, if you like, in any way, shape or form. I want to state that before I go into this Resolution. For, Sir, it is with that same principle in our hearts that we of Her Majesty's Loyal Opposition have come to the conclusion that we cannot give our wholehearted support to this Resolution.

First I want to refer to the Resolution in part: Term 29: This house affirms, the Resolution says; the following statement of facts:

1. "Term 29 is an indispensable part of the Terms under which Newfoundland abandoned her ancient and honourable independence within the British Commonwealth to become a province of Canada." With that Clause (1) we agree in its entirety.

2. "Term 29 was accepted and adopted by the Parliament of Canada, the Parliament of the United Kingdom, and the duly-constituted authority of Newfoundland." We have no quarrel with that. We have no quarrel because we in Newfoundland had to accept it, Sir. We had perforce to accept that Term 29 is a part of the Terms of Union. If we were to enter into Confederation with Canada and the vote which was taken decided by the majority, however it was — the vote decided that we were going into Confederation, and therefore we had to accept then and we accept it today.

3. "Term 29 is embodied in the British North America Act, forms part of the Constitution of Canada, and by Canadians in General, and Newfoundlanders in particular, must be considered to be as sacred as any other clause of the Constitution." With that, I entirely agree, entirely agree. As a matter of fact, Sir, the whole matter, I would say, Sir, is sacred. That is not probably the word that might be used there, but it is used, and I have no great quarrel with it. The Terms of Union are a solemn declaration, consisting of quite a number of Terms, and five or six, as the case might be, are financial terms.

4. "As Term 29 forms part of the Terms of Union, which Terms were negotiated and signed by Canada and Newfoundland jointly, no change should be made in it except by joint decision of Canada and Newfoundland, through their properly constituted authorities, and Newfoundland's rights under this Term should not be amended, or reduced without Newfoundland's consent freely made and

freely given." Now that is a long section, and I certainly cannot go along wholeheartedly with it. There are certain things in it which will have to be discussed.

Premier Smallwood: Discussed today?

Mr. Hollett: I hope so, if we get time.

5. "Term 29 provides for the continuation of Newfoundland's public services as they were found to be when the McNair Royal Commission made its report and recommendations. This continuation of the province's public services is to be paid for by the government of Canada; after the people of Newfoundland have borne to the government of Newfoundland at least as great a burden of taxation, having regard to their capacity to pay, as the people do in the nearby Maritime Provinces; and this is to be done without qualification, and without limit of time." There again is another clause about which we wish to have something to say.

6. "Term 29 is not for the purpose of dealing with the matter of making Newfoundland's public services as good as those of the Maritimes or any other provinces, but deals only with the continuation of Newfoundland's public services as they were found to be by the McNair Royal Commission." (Well, that is well-known to everybody in Newfoundland today, and we agree with it wholeheartedly.) "It is not for the purpose of providing for any improvement in the levels and standards of Newfoundland's public services, as they were found by the McNair Royal Commission, but only with their continuation. Term 29 and its strict and honourable enforcement, does not, and was not intended to, deprive Newfoundland of any grants or other forms of assistance made generally available to all or any member of the other provinces of Canada, and does not in any sense or degree reduce Newfoundland's general rights as a province of Canada." We agree entirely with that part of the sections. "This house notes with deep regret that the present government of Canada, through the announcement of the Prime Minister, and the legislation recently enacted, without the consent of this house or of the government of this province, decided that the sacred rights provided by Term 29 shall become null and void after 1962." Now I am

quite sure that every person in this house, every member on the opposite side or this side, must agree with me when I say, at least they must agree in some measure, when I say that is not so. That is not so, Mr. Speaker. Let me read that again: "This house notes with deep regret that the present government of Canada, through the announcement of the Prime Minister, and the legislation recently enacted, have, without the consent of this house or of the government of this province, decided that the sacred rights provided by Term 29 shall become null and void after 1962." So it goes on — "Our rights have been invaded by the government of Canada, and we will not cease our resistance until these rights have been fully restored..."

Now, Sir, that is the clause, the principal clause, to which we on this side here and in this place take exception. And I regret very much, Sir, to state right here and now my disappointment in some of the statements which have already been made here against, or toward, the government of Canada and in particular against the Prime Minister, Mr. Diefenbaker, who, as we know, Sir, was elected by the people, by a very large majority of Canada. Things have been said about him, about Mr. Fleming and other members of the House of Commons which might very well have been left unsaid by any man, woman or child in this country. We are no longer alone, Sir, we are an integral part, we are a part of the whole of Canada, and when the people as a whole decide that John Jones or John Diefenbaker is to be Prime Minister, it little behoves any cabinet minister in a provincial house to say some of the things that have been said against the hon. gentleman.

Now, with regard to the "sacred rights" — Let us check back to it. We all remember the Terms of Union. We all remember Term 29, and we also remember that it was provided there that sometime, within eight years, a Royal Commission would be set up to decide, in view of the difficulty of deciding, at that particular time, what monies, if any, would be required, without increasing our taxes unduly above the other Maritime Provinces, to provide for the continuation of our public services as they existed at the time of the review. And, Sir, I have here, and I suspect every member has it, the findings and recommendations of the Royal

Commission which was set up. Remember, that Commission was set up. And we do all remember, Sir, the delightful story of the hon. the Premier, how he described how he and another remained behind closed doors, in suffocating weather, exposed down to hoary and hairy chest, deciding, Sir, the actual words which were to be put in that Term 29. And I would say right here now; Term 29 is a very good term. And even if the hon. the Premier and Mr. McKay had to stay there three days, adorned only by the beads of perspiration coming out on them continually, I say they did an excellent job in wording Term 29. They did not do a complete job on it, but they did an excellent job, but they did not, as everybody knew at that time, and I take it, Sir, as everybody knows at this time how difficult it is for any Commission, any bunch of men either small or large, how difficult it is for them to state how much money the government of Canada would have to pay to this province of Newfoundland in order to keep up the levels and standards of our public services as they may come about by say 1957. At that time, how could they?

So the Royal Commission is set up, and it was set up by a Liberal Administration. It was set up, or at least some of the members were in on the recommendation of the hon. the Premier in this house. They were all hon. men. And I have no doubt that they tackled the difficult problems which lay before them with certain misgivings. The Administration here in Newfoundland had, I believe, a Royal Commission working —

Premier Smallwood: For almost four years.

Mr. Hollett: — four years working to gather the facts for this federal Royal Commission. And they went on gathering facts, and the facts cost us, the people, \$250,000 to submit that provincial Royal Commission's report to the McNair Commission. Now finally they did recommend \$17 million. Then I think one of the lawyers on the federal Commission decided there was a slight error in additions or something, or the economists did, and I think it was eventually \$15 millions.

Premier Smallwood: It was from the start. In the printing there was an error in it. Our claim was \$15 millions, and we stuck to it to

the end, and I stuck to it with Mr. Diefenbaker in January.

Mr. Hollett: I know this \$17 millions was quoted quite often by members on both sides in Ottawa.

Premier Smallwood: It was what appeared in print in the report, but that was corrected the day the Commission met, in this very chamber.

Mr. Hollett: There was a slight error at any rate, \$2 million, which goes to show even a Commission here in Newfoundland, of good, honest men, having four years of toiling, could make an error of \$2 million.

Premier Smallwood: It was not an error.

Mr. Hollett: I understood the hon. the Premier to say error.

Premier Smallwood: Typographical, not factual.

Mr. Hollett: Typographical makes it appear all the more sorrowful, I would say — Typographical! I could understand the Commission making a mistake in their additions or I could understand them making a mistake in their calculations in regard to certain of the public services, but a typographical error, and not discovered; and mind you \$17 million was fixed for months. I cannot understand just why it had not been discovered.

Premier Smallwood: Now the hon. member wants to be fair, and fair to Newfoundland. I know that. I want to remind the house, there was never any figure. He said: "for months before, \$17 millions". No figure at all was taken until the Commission met here. On opening day in this chamber the first thing done was to acquaint the commission an error had been made — The hon. gentleman wants to be fair.

Mr. Hollett: I will have been accused of being less than fair before the afternoon is over. I know it will be very warm because of the heat of the day. But I want to be fair. And if the hon. the Premier or anybody, either on the other side of the house or any member of this side of the house, in Her

Majesty's Opposition, has not been fair, then they should have done it long ago, and they have not done it. We will be fair, Sir, to this house and to the hon. the Premier.

Premier Smallwood: And to Newfoundland?

Mr. Hollett: And to Newfoundland, as I do hope the hon. the Premier and his associates will be fair to the Rt. Hon. John Diefenbaker.

Premier Smallwood: We are not going to be as fair to Mr. Diefenbaker as you expect us to be to Newfoundland.

Mr. Hollett: Are we not Canadians all?

Premier Smallwood: We won't put him in the same class.

Mr. Hollett: Not because I am a Newfoundlander I should not use the same rule of fairness as to Canada. He is an individual, a Canadian citizen and a Canadian citizen, Sir, who has been honoured and respected by millions of Canadians.

Mr. J. Forsey (Humber East): So has been the Premier of this province, an honoured and respected Canadian.

Mr. Hollett: Does the hon. gentleman want to ask a question?

Mr. Forsey: I am afraid it would be useless. Your colleagues would not answer one yesterday.

Mr. Hollett: If the hon. member for Corner Brook East (or West) wants to ask if I have been fair to the Hon. the Premier, I say, yes: definitely so. I have always been fair to him and shall always be fair to him.

Mr. Forsey: And will admit he has been more than fair to you?

Premier Smallwood: Not "more" — No.

Mr. Speaker: This exchange is out of order. The hon. member for Humber East is out of order. I think the hon. Leader of the Opposition might continue his speech and disregard the interruption, which was out of order.

Mr. Hollett: And disregard the hon. member. Thank you! Well, Sir, I was coming to the point where the Royal Commission, the McNair Commission had reached the point where they could make their report. That was on the thirty-first of May, 1958, the McNair Commission handed in their report. Now the members of the McNair Commission, under the Terms of Union, were to be set up by the government of Canada. They were set up by the federal government. Well the government of Canada, which was a Liberal government, appointed the Commission, some of whose members were recommended by the Hon. the Premier, and perhaps all, for all I know. And that Commission May 31, 1958, stated this, in handing in their report and their findings and recommendations, a very short one, not quite three pages. And I would like for this house to note these words from the report:

"While it is impossible to project the expenditure requirement and revenues of the province into the future, we feel that we should give consideration to the financial position of the provincial government as indicated by the estimates for the years 1957-58 furnished to us by the financial advisers to the province. These estimates set forth" ... so and so... and they referred to the recession at that time and they said: "However we must assume the recession is no more than a temporary condition. Whether or not under normal conditions in the future the revenues will rise sufficiently to meet the expenditures necessary to continue public services is a question which cannot be answered with any degree of certainty."

Premier Smallwood: They were not required to answer that.

Mr. Hollett: No! They were required to say how much was needed to maintain the services, with the revenue being what it was then, and the services costing what they did then, how much should Canada pay to maintain it at that rate. That is all they had to say. They have done it and said it was not possible to answer with any degree of certainty.

Premier Smallwood: No, my hon. friend, if he will allow me. They did not say they

could not do it because they did in fact do it. It is in the last words of the report.

Mr. Hollett: I will read this again. According to normal circumstances — they mentioned the fact of a recession. Of course they did not think that was going to last too long, and then they said, and mind you in a year of a slight depression, they came to the conclusion that so and so should be paid. "Whether or not under normal conditions in the future the revenue will rise sufficiently to meet the expenditures necessary to continue public services at the levels and standards reached is a question which cannot be answered with any degree of certainty on the basis of information now available" after four or five years collecting facts. Then let us read the last paragraph: Before we go to the last paragraph I would like to quote from the last but one. "In addition to this uncertainty" (and I quote) "there are other imponderables which cannot be measured, which affect the burden of taxation and the adequacy of revenue to the future. The economy of Newfoundland is highly vulnerable and somewhat more dependent on export industries than is the economy of the Maritimes Provinces..." and so they go on. And in the last paragraph: "After giving consideration to the deficiency in revenue indicated by our calculation for the fiscal years 1956-57, 1957-58, and after attempting to make a fair and equitable assessment in respect of uncertainty in certain factors mentioned above, we find the Government of the province of Newfoundland requires, as from April 1957, additional financial assistance of \$8 million per annum, less the transitional grants; while it applies, to enable it" — "while it applies"; don't forget the words.

Premier Smallwood: That is while the transitional grant applies. "To enable it to continue public services at the levels and standards reached" —

Mr. Speaker: Order!

Mr. Hollett: I will stop for a drink of water, if the Hon. the Premier wishes to speak.

Premier Smallwood: Go on!

Mr. Hollett: It is rather warm, and I refuse

to be rushed, Mr. Speaker; "Accordingly we recommend additional financial assistance as follows: For the fiscal year beginning April 1, 1957 eight million dollars less the transitional grant of \$1.4 million" — That was the recommendation from the McNair Commission.

Premier Smallwood: For that year. I turn now for a moment to the Act which was passed in the House of Commons, I believe on July 14, relative to the report of the McNair Commission. And I refer to the Additional Grant section, Section 2. Now remember the recommendations of the McNair Report said, for the fiscal year 1957, \$8 million less the transitional grant of \$600,000. Turn now to the Bill passed in the house the other day, and for which the Federal Government have been accused of back-stabbing, cut-throating and I don't know what.

"There shall be paid to the province of Newfoundland out of the Consolidated Revenue Fund in respect of the fiscal years set forth in this section additional grants as follows: The fiscal year 1957 six million six hundred dollars." Exactly the same as recommended.

Premier Smallwood: That is for that year, just one year.

Mr. Hollett: I will admit that is not enough. They go on in their report —

Premier Smallwood: And they recommended for the next year?

Mr. Hollett: Yes, I was coming to that.

Premier Smallwood: They recommended?

Mr. Hollett: Just a moment. For the fiscal year beginning April 1, 1958, \$8 million less the transitional grant of \$1,050,000 or \$6,950,000. And we turn to the Bill passed by the federal government a few days ago and — for the fiscal year 1958-59.

Premier Smallwood: It was the same amount.

Mr. Hollett: It was \$6,950,000 as recommended by the McNair Commission.

Premier Smallwood: Exactly the same.

Mr. Hollett: Appointed by the federal government, recommended by the hon. Premier of Newfoundland.

Premier Smallwood: And Diefenbaker passed the Bill to pay. Now the next year?

Mr. Hollett: I wish, Mr. Speaker, the Premier would not...

Premier Smallwood: Com on — The hon. gentleman does not mind a little help.

Mr. Hollett: He may be in a hurry to get at that election. He can't get at it this afternoon.

Mr. Speaker: These interruptions are out of order, even allowing for the Premier's anxiety.

Mr. Hollett: And anxiety to get out on the hustings. Why was Mr. Pickersgill here yesterday? He was here because the Hon. the Premier asked him to come — "Listen to me what I am going to say" — he sat and smiled and smirked occasionally. After all, Mr. Speaker, Pickersgill was put into the cabinet by the Premier of Newfoundland, on his recommendation — but the Premier put me off my story. Now we come on to the next year. For the fiscal year beginning April 1, 1959 McNair recommended \$7.3 million.

Premier Smallwood: That is right.

Mr. Hollett: And I turn to the Act, again, passed the other day.

Premier Smallwood: The same amount.

Mr. Hollett: I will give the figure.

Premier Smallwood: Right! Check! Tally!

Mr. Hollett: No the cheque was for \$17 million.

Premier Smallwood: Tally! The same figure, yes.

Mr. Hollett: In a hurry to get on with it. For 1960 \$8 million less the transitional grant, or \$7,650,000 they recommended. Strangely enough the government of Canada passed an Act which would pay us that amount.

Premier Smallwood: That is right.

Mr. Hollett: Thereafter, \$8 million — "thereafter."

Premier Smallwood: "Thereafter."

Mr. Hollett: Alright — "Thereafter" what does the Bill say? What does the Bill say? — for the fiscal year 1961-62 eight million dollars — That is "thereafter."

Premier Smallwood: A minute is "thereafter". Does "thereafter" stop a minute after?

Mr. Hollett: That is "thereafter" so far the government of Canada, by legislation, agreed, the legislature.

Premier Smallwood: Are you willing to go to the people on that?

Mr. Hollett: To pay to the people to Newfoundland the amount as recommended by the McNair Commission, so far so good.

Premier Smallwood: Will the hon. gentleman face the people on that?

Mr. Hollett: What people are you talking about? I cannot look toward the lights, the bright lights. I am trying to analyze.

Premier Smallwood: Vote for the Resolution. Vote for the Resolution.

Mr. Hollett: It is not time to vote yet, Now, Sir, I come to what I presume is the contentious part of this legislation as far as certain members of this house are concerned. I have pointed out everything has been done in order. The Hon. the Premier and Mr. McKay created Section 29. They were very doubtful — where is that section again? — Term 29 — Yes — Now this is the Premier of Newfoundland and Mr. McKay, the man who wrote a book on Newfoundland — apparently they were assigned — and don't let us forget this, Sir — When the first terms of Confederation were presented to the people of Newfoundland, and presented by a beautiful speech by the Hon. the Premier, there was such a thing as a transitional grant and we were to get \$3.5 million for three years, and only later, after the people voted,

it was decided that that was to be raised to \$6.5.

Now the hon. the Premier and Mr. McKay, sitting down, they agree mind you, and they are strong men, in that little administration of that time, no nitwits, and they have brains — Oh, yes, they have brains — and they say: "In view of the difficulty of predicting with sufficient accuracy," etc. etc. etc. "We recommend that a Royal Commission be set up." That Commission was set up. It was fed, hand fed and mouth fed by the Newfoundland Royal Commission, which sat for four years, and after that, came to the conclusion they should pay to Newfoundland exactly, at least these amounts which I have mentioned. And coming before the government of Canada and they say; "Okay, we will pay you these amounts, \$6.6 million, and \$6,950,000; \$7.3 million, \$7,650,000 and \$8 million, a total, I think, of some \$36 million. Now then I will come to that legislation, because there are so many, many quotes, so many, many quotes that could be made from Hansard of the House of Commons, which were made in the last few days, I think the 13th, 14th and 15th of July — the 13th is a poor day — it should not have been started that day, but they did. And there are some quotes there better left unsaid. Now there is the Bill. I am not so sure whether it has been read in full or not, but it won't hurt us, because we can't hear it too often, and I want to read every word there.

Premier Smallwood: Of the Act?

Mr. Hollett: The Bill is the same as the Act. It was not amended.

Premier Smallwood: Begin with Section 1.

Mr. Hollett: I will begin with the preamble.

Premier Smallwood: Oh! Now that is a debatable point.

Mr. Hollett: The hon. the Premier raised that point, because since the speech made by the hon. minister of Provincial Affairs (Mr. Murray) caused it yesterday, I have taken the trouble to look up and see just what force and effect the preamble has. And the minister of Provincial Affairs, a lawyer, as a matter of fact, I think he congratulated himself and others on the fact he

was a lawyer, and he laid down his dictum. The preamble is nothing. We should not bother about it at all. It has nothing to do with the Act, nothing to do with it, Sir. I will disapprove that in one minute or less, I refer to the minister of Provincial Affairs and all the lawyers here at present.

Premier Smallwood: That is going to be good.

Mr. Hollett: Yes, it is going to educate some of our lawyers.

Premier Smallwood: Now this is really something.

Mr. Hollett: I want them to look up Section 14, the one called Interpretation Chapter, 158 Revised Statutes of Canada, 1952, Section 14: It says: "The Preamble of every Act shall be deemed a part thereof intended to assist in explaining the purport and object of the Act."

Mr. Murray: Exactly.

Mr. Hollett: You did not know that yesterday. If you knew it yesterday you did not come out with it.

Mr. Murray: Mr. Speaker — know it yesterday? Would you yield? I just want to make one simple statement. I knew that yesterday and I have known it, I suppose, for the last 25 years.

Mr. Hollett: It only happened in 1952.

Mr. Murray: A Preamble to a Statute — that is what I have known for 25 years. The interpretation.

Premier Smallwood: Every lawyer knows that.

Mr. Hollett: Every lawyer does not know it, not every Premier knows it. The hon. Minister says he has known it for 25 years, Sir, and I am quoting from the Revised Statutes of Canada, 1952, Interpretations — the Preamble — Section 14. "The Preamble of every Act shall be deemed a part thereof. I will read the hon. gentleman something else, from a Chief Justice of England one time — "The Preamble gives the reason why

the passing of the Statute has become desirable. The preamble may now be regarded, like the title, as part of the Statute for the purpose of explaining, restraining or expanding."

Premier Smallwood: And only for that purpose only.

Hon. L.R. Curtis (Attorney General): Is there anything not quite clear about paragraph 2? What is it then necessary to explain? What is there in the Bill which needs explaining?

Mr. Hollett: I will come to that point in a moment. I promise the hon. member for Humber East (Mr. Forsey) I will be fair. And a man only wants to be fair, Sir, to disagree with the interpretation which is being put on this Bill by this house and by the Liberal Opposition in Ottawa; only has to be fair to disagree in all sincerity — and I am trying to point out to the hon. members opposite and to the people of this country. Because a lot of them in this country, you know, voted for Diefenbaker, and they don't like to hear that man called a cut-throat or back-stabber and everything else without cause — and I am trying to show there is no cause for this heated statement. And whilst I agreed with several things this government had done in the past, which did not do us too much good on this side of the house, but we agreed, because we agreed in principal with the things. But this is one little thing where we have to differ, and I do hope, Sir, we have the sympathy, Sir, of you and all the rest of the house. Now, I was about to read the Preamble when so rudely interrupted.

Premier Smallwood: We sympathize with the hon. gentleman far more than we realize.

Mr. Hollett: Sympathy! Sympathy is alright at times.

Premier Smallwood: The hon. gentleman asks for sympathy. He does not need to ask, he has got it.

Mr. Hollett: I do not ask for sympathy for myself but for the people who passed this legislation, for the idea in the Bill.

Premier Smallwood: There won't be any.

Mr. Hollett: Oh, but there will. If the hon. the Premier could only see the list of telegrams I saw.

Premier Smallwood: Would the hon. gentleman like to have a contest of sorts? Would he like to put it to a test? He gets a few telegrams. Would he like to have a real contest to see how the people really feel? Don't go by a few telegrams.

Mr. G.R. Renouf (St. John's South): Government by telegram.

Premier Smallwood: Government by telegram.

Mr. Hollett: What we have today is government by the "Daily News" and not by the "Telegram". I will come to that in a moment, I think the hon. the Premier might put me right on it now. There is an editorial here, which appeared this morning in this now unfortunate rag. One of the greatest, foremost respected papers ever published in Newfoundland was the "Daily News", now it is not even a rag, we would not even wipe the floor with it.

Premier Smallwood: Or quote it in this house.

Mr. Hollett: Yes, I have to show up, I was going to say a word then — I don't think it would be parliamentary, Mr. Speaker, and I am sure it would be over ruled. This man who writes the editorial here knows all about labour and politics. He says what he has to say about a bridge for Placentia Gut. He is not "over the gut without any bridge."

Premier Smallwood: Read out the whole editorial.

Mr. Hollett: I had not intended to do that.

Premier Smallwood: Put it on the record.

Mr. Hollett: Here it is: "All the controversy and bitterness occurring as a result of the Diefenbaker Government's repudiation of Newfoundland's constitutional rights." (See tears running down his eyes — Oh! Shocking! "...repudiation of

Newfoundland's constitutional rights could have been avoided by an addition to the Bill of a very few simple words..." (It is a pity they did not write the editor and ask what words should be used.)

Premier Smallwood: They would not have needed to write anyone.

Mr. Hollett: The section reads as follows: "Whereas in the course of such a review any special circumstances relating to the financial position of the Province of Newfoundland after the 31st day of March, 1962, would be taken into consideration if there had been added to this clause the simple qualification 'within the provision of Term 29.'" Now, if these words had been there everything would be 'hunkydory'.

Premier Smallwood: Right! We would not have this Resolution before the house today.

Mr. Hollett: I maintain, Sir, if there were anything left out of that Bill at all, that was necessary, it has been put into Hansard, into the record of the house at Ottawa, to clarify any misunderstanding there might be. I was about to read, Sir, this Bill. It is only short, and I think we should know about it. It reads:

"A Bill, "An Act To Provide For the Payment of Additional Grants To The Province of Newfoundland." (Additional grants, mind you. We have all sorts of grants, Sir).

Premier Smallwood: Not under Term 29.

Mr. Hollett: Who said anything about Term 29. I think, Mr. Speaker, the hon. the Premier sleeps with Term 29 under his pillow.

Premier Smallwood: And will go right on doing that.

Mr. Hollett: I think he is asleep now on Term 29, not looking on it fairly and squarely, in a dream world. We get a lot of grants, unconditional statutory subsidies. Last year \$1.5 million transitional grants; \$1,050,000 tax rental; we received \$4,737,000 equalization, and so it goes on; Atlantic Provinces Grant \$7.5 for at least three years.

Premier Smallwood: What did we get that other provinces did not get the same?

Mr. Hollett: Yes, of course, they did, not exactly the same amount.

Premier Smallwood: The same amount.

Mr. Hollett: I am explaining the word "additional". This year they will get over \$40 million unconditional grants and in addition to that they will get conditional grants for agriculture, health, hospital insurance, welfare, and all down the way, slum clearance and so on; \$14,576,000. In other words that is all together some \$54.5.

Premier Smallwood: Why worry about Term 29?

Mr. Hollett: I will come to that in a minute. I don't see any reason why we should worry.

Premier Smallwood: The hon. gentleman is following in the footsteps of Jimmie Sinclair, rubbing in how much Canada is doing for us.

Mr. Hollett: I remember, Sir, the time the hon. Premier would go in and brush the snow from in front of Jimmie St. Clair, to see he did not get the taps of his shoes wet.

Premier Smallwood: Is that so? Little does the hon. gentleman know what I did and said to Jimmie St. Clair — used the brush but was not that brush.

Mr. Hollett: Never brushed him off?

Premier Smallwood: No. A tough character. He got brushed off in the end.

Mr. Hollett: A lot of people got brushed off in the last election.

Mr. Speaker: Order!

Mr. Hollett: Sir, I am endeavouring to keep order. Now I am about to read this, nobody is going to put me off from reading it, Mr. Speaker, if I am here until next Thursday.

Mr. Speaker: Order! The Leader of the Opposition has the floor. Order! Don't interrupt the Speaker. I have allowed certain

interruptions because the hon. member who has the floor has not resented them, but took them in good part and contributed to the debate, but the debate must not become disorderly. Of course the hon. member does have the right to be heard in silence, if he wishes. The hon. member will continue!

Mr. Hollett: Thank you, Mr. Speaker! I am back to the Preamble part of the Bill. "Whereas Term 20 of the Terms of Union of Newfoundland with Canada provide that, in view of the difficulty of predicting with sufficient accuracy the financial consequences to Newfoundland of becoming a province of Canada, the government of Canada would appoint a Royal Commission within eight years from the date of Union to review the financial position of the Province of Newfoundland..." And I pointed out these recommendations have been followed out up to 1961. "Whereas both the government of the Province of Newfoundland and the government of Canada have recognized..."

Premier Smallwood: That is wrong. That is a mis-statement of facts.

Mr. Hollett: "...have recognized the great difficulties inherent in determining future payments on an equitable basis..."

Premier Smallwood: That is an absolute mis-statement of facts, not mis-stated by the hon. gentleman but mis-stated in this Act.

Mr. Hollett: It is not mis-stated.

Premier Smallwood: The inclusion of Newfoundland in that is a mis-statement.

Mr. Hollett: Not at all! Not at all!

Premier Smallwood: I might go a little further and say "a downright lie" but certainly a mis-statement. We have not, the government of the province of Newfoundland have done no such thing at any time.

Mr. Hollett: What about the delegation that went to Ottawa? Did they admit it? Did they go back to Newfoundland and say "vote for us. We have the Terms. Can't beat them". Did they say that? And is not the present

Premier, Sir, the one who headed up that delegation, which went to Ottawa and won these Terms of Union, which said: "In view of the difficulty".

Premier Smallwood: When I did that I was not in the government of the province of Newfoundland. There was no province of Newfoundland. There was no government of a province of Newfoundland.

Mr. Hollett: Was not very far from it. Was not this approved by the government of Newfoundland? It was not.

Premier Smallwood: The hon. gentleman is shifting his ground. He said a moment ago; I went there — yes, I went there but when I went there I was not a member of the government. There was no government of the province of Newfoundland.

Mr. Hollett: Did the government approve of this?

Premier Smallwood: That says — "the government of the province of Newfoundland." The government of the province has done no such thing.

Mr. Hollett: Is not that the most ridiculous statement I have ever heard? The present government in Newfoundland took this Term 29 — "In view of the difficulty and so on ... We are going to appoint you" — (The late Sir Albert Walsh).

Premier Smallwood: The government of Canada did that.

Mr. Hollett: Just a moment now — The government of Newfoundland appointed that Commission to get the facts, under Term 29.

Premier Smallwood: What commission?

Mr. Hollett: The Royal, Newfoundland, Commission. That was their Terms of Reference, Term 29. There is no question about it at all. That was their Terms of Reference, therefore the government of Newfoundland, recognized, as it says here — Sorry you interrupted?

Premier Smallwood: It does not mean a thing.

Mr. Hollett: "Whereas both the Government of the province of Newfoundland and the government of Canada..." I hope the honourable the Premier is not trying to get out from under the fact. What I am trying to say is, the hon. the Premier was instrumental, Sir, in framing that.

Premier Smallwood: Framing what?

Mr. Hollett: Term 29.

Premier Smallwood: That clause the hon. gentleman just read from the Bill passed in the House of Commons last week says; "the government of the province of Newfoundland and the government of Canada have recognized..." Now that is not true. It may be true of the government of Canada but it is not true of the government of the province of Newfoundland.

Mr. Hollett: It is true for the Premier of Newfoundland.

Premier Smallwood: It is not true for the Premier either. He was not Premier then.

Mr. Hollett: "In view of the difficulty of predicting with sufficient accuracy." Did the Premier do that or not? Did he make that statement?

Premier Smallwood: Yes he did. But first of all, he did not do it as Premier. He was not the Premier of the province of Newfoundland because there was no province of Newfoundland. This says the government. It does not say the government of Newfoundland under the Commission, but the government of the province of Newfoundland. Now we have done no such thing. I, as an individual, before we were a province, before there was a provincial government, I helped to draft Term 29. Yes, I did.

Mr. Hollett: Mr. Speaker, what year was that Newfoundland Royal Commission appointed? I believe that was about 1953. And the present Premier, at the time, was Premier of the province. And he says to these esteemed gentlemen — "Look, we could not find out — there is the situation — I want

you people" (He is the Premier" to get all the facts you can because when that Royal Commission is set up I want to give that Commission all the facts we can relative to Term 29". And in that Term 29, the Premier helped phrase — "In view of the difficulty." He cannot get away from that. That is only nonsense. Now then both the government of the province of Newfoundland and the government of Canada recognized the great difficulty — and I hope they have

Premier Smallwood: Will the hon. gentleman allow me? Would he be fair? If he wants to be fair, and I am not going to ask does he want to, I know he does. Now, in his desire to be fair —

Mr. Hollett: Have you referred to the hon. member for Humber East?

Premier Smallwood: No, I have not. Will he allow me now, in the interest of fair play?

Mr. Speaker: The hon. Leader of the Opposition has yielded the floor.

Premier Smallwood: Whereas both the government of the province of Newfoundland and the government of Canada have done what? Have recognised the great difficulties inherent in determining future payments on an equitable basis from the experience of one selected year. Now this is something referred to which happened after the Royal Commission met and sat and made their investigation. It has no reference to the framing of Term 29, 12 years ago. It is something to do with what the Royal Commission was confronted with two years ago. And there has been no agreement between the two governments on that, none, none at all.

Mr. Hollett: Will the hon. the Premier recognize the fact that Mr. Carl Goldenberg was the legal advisor to the Newfoundland Royal Commission?

Premier Smallwood: I recognize that, yes.

Mr. Hollett: Does the hon. the Premier remember certain statements made by Mr. Goldenberg?

Premier Smallwood: Some I remember and some I do not. But the hon. gentleman is not going to suggest that, when you hire a lawyer, and he goes for nearly a year before a Royal Commission, everything he says is the considered opinion of the government that hired him?

Mr. Hollett: Whose considered opinion?

Premier Smallwood: Largely, his own, of course.

Mr. Hollett: What kind of government have we got?

Mr. Speaker: Order! I would suggest that the hon. the Premier will no doubt speak again in winding up the debate, and might contain this until that time.

Premier Smallwood: Mr. Speaker, to a Point of Order. Your Honour does not need to tell me what my rights are. I know them well enough. Your Honour does not need to give any suggestions. I asked the Honourable Leader of the Opposition a question, and he yielded. I had a right to ask and he had a right to yield, and Your Honour does not need to advise either one of us in that matter.

Mr. Speaker: There was some cross-fire across the house after that point. The hon. Leader of the Opposition will continue.

Mr. Hollett: Thank you, Mr. Speaker. We both abide by your decision. "Whereas both the government of the province of Newfoundland and the government of Canada" (I am reading from the Bill see) "have recognized the great difficulties..."

Premier Smallwood: Would the hon. gentleman tell what it refers to?

Mr. Hollett: It refers exactly to what you will find in Term 29 — In view of the difficulty of determining... I read it so many times — I don't think I remember "determining" but "predicting with sufficient accuracy."

Premier Smallwood: That is not what it refers to. It refers to basing it on one select year — That is what his clause refers to.

Mr. Hollett: That is what your Royal Commission did. Another was set up by the Liberals in Ottawa. Did not the hon. the Premier accept that Royal Commission as composed of three of the most able men in the whole of Canada?

Premier Smallwood: The hon. gentleman is putting two and two together and making seven.

Mr. Hollett: Oh no! Only making four.

Premier Smallwood: Go on. I give in.

Mr. Hollett: Thank you very much! That is only for a brief duration, I think, Mr. Speaker. Now, before I go on to the rest of the Bill I want to put in there — and everyone has the Bill on the opposite side — what was called an Explanatory Note.

Premier Smallwood: Will that be in the Bill as printed in the Statutes?

Mr. Hollett: Now it was put in the Bill by the government of Canada, whom we all respect, put in by the House of Commons in Ottawa. May I be allowed to read that, Mr. Speaker? It is part of the Bill.

Mr. Speaker: Of course, the hon. member is reading the Bill.

Mr. Hollett: "The purpose of this Bill is to authorize the payment of additional annual grants to the government of Newfoundland." And the payment — They have \$17 million now already, and are getting the rest next year and hereafter. The purpose of the Bill is to authorize additional grants in accordance with the scale contained in the report.

Premier Smallwood: It does not do that.

Mr. Hollett: Have I got to read that all over again?

Premier Smallwood: Yes, read it again — It is worth it.

Mr. Hollett: If the hon. the Premier would let me get to the end of it. If he wants to ask a question on it then I will answer.

Premier Smallwood: Alright, read it all.

Mr. Hollett: This explanatory note, Sir: "The purpose of this Bill is to authorize the payment of additional annual grants to the Province of Newfoundland in accordance with the scale contained in the report of the Royal Commission" (that is the McNair Commission) "on Newfoundland's finances that was appointed as required by Term 29 of the Terms of Union." Note that, Mr. Speaker: "As required by Term 29 of the Terms of Union."

Premier Smallwood: The hon. gentleman said I might ask a question when he read it all —

Mr. Speaker: The hon. member has yielded.

Premier Smallwood: The explanatory note merely says — this is a Bill to authorize the government of Canada to pay to the government of Newfoundland the amounts due Newfoundland according to the scale recommended by the Royal Commission. Now my question is, does the Bill do that? Does the Bill authorize the Canadian government — here is the Bill — it was passed — it became Law — does it in fact authorize the Canadian government to pay us in Newfoundland according to the scale that Royal Commission recommended? Does it do that? Here is the scale.

Mr. Hollett: I have it here.

Premier Smallwood: Does the Bill do that?

Mr. Hollett: Up to a point.

Premier Smallwood: Up to a point, I agree, yes. That is true.

Mr. Hollett: Let us be fair — Up to a point. And I say thank God! that the House of Commons in Ottawa did not accept that "thereafter" \$8 million. Because I want to tell you now, Sir it is costing us \$8 million to-day and next year and the year after and the year after that again to keep up the public services of Newfoundland to the level and standards of the year 1957. That \$8 million dollars in 1962 will be very small stuff. And I do believe, Sir, and say right

here now, and may probably repeat it again, that is in the best interest of Newfoundland that that Bill passed as it did because I am quite sure — I will come to that in a moment — they are going to need more than \$8 millions.

Premier Smallwood: Of course we are.

Mr. Hollett: And I am quite sure we are going to get it under Term 29. Look, does anybody in this house dispute the fairness, not only of the federal government but of all the provincial governments in Canada? Last year, Sir, I think it was last year, before the Diefenbaker government allocated \$100 million a year for the Atlantic Provinces, including Newfoundland — that was \$25 million a year.

Premier Smallwood: It is \$100 million for four years.

Mr. Hollett: Yes. That was \$25 million a year. Now what did Nova Scotia and New Brunswick do? First may I ask you, Sir, what is the population of Nova Scotia today and ask you Sir to compare it with that of New Brunswick and Newfoundland — What did Nova Scotia and New Brunswick do, their governments? They are both P.C. governments incidentally. What did they do? They said: "Look, we are not going by merely our population. Our population is much greater than yours is in Newfoundland but we will give you exactly what we were given. So they gave us that for four years and \$7.5 million. I think, to Prince Edward Island. Was not that fair? And I am telling you the government at Ottawa will be just as fair, and I am quite sure, even if they are Conservatives, will be more liberal. There is no question about that.

Now, did I finish the explanatory note? Yes. And I answered the question. They are paying these amounts, and I will come to the other in a moment. And I come over here — The government of Canada has proposed a comprehensive study of Dominion-Provincial Relations in co-operation with the provinces, and all the provinces have agreed to participate. In other words, the federal government and all the provincial governments, including the hon. Premier's government have agreed to meet in 1962 and discuss generally financial conditions

or the financial position in which the provinces find themselves in relation to the obligations which they have.

Premier Smallwood: It is not that they agreed to meet in 1962 — They are meeting now, already meeting. They have been meeting from time to time. This is ordinary, a group of officials who are all the time meeting. That is all this is.

Mr. Hollett: Alright! Whereas in the course of such review any special circumstances relating to the financial position of the province of Newfoundland, after the thirty-first day of March, 1962, would be taken into consideration.

Premier Smallwood: What does that mean? — "Taken into consideration" — what does that mean? Think about it say for seven minutes, seven hours or seven years.

Mr. Hollett: Does the hon. the Premier give any credence to the statement made by the hon. the Prime Minister?

Premier Smallwood: Not much. Not very much.

Mr. Hollett: I am telling the hon. Premier that the government of the Prime Minister of this country will give credence.

Premier Smallwood: Now after the RCMP, the Housing, the contract's torn up.

Mr. Hollett: I am not talking about housing.

Premier Smallwood: I don't give much credence, and I am afraid a lot of people don't believe them any more, and I am one of them.

Mr. Hollett: You never did.

Premier Smallwood: Yes I did.

Mr. Hollett: No! No!

Premier Smallwood: But no more. I don't believe them any more.

Mr. Hollett: The hon. the Premier — what did he mean by "will be taken into consideration" in the House at Ottawa the same

question was asked and this is what Mr. Diefenbaker said: "The government of Canada has proposed a comprehensive study of Dominion-Provincial Relations in co-operation with the provinces. In the course of such a review any special circumstances relating to the financial position of the province of Newfoundland, after the thirty-first day of March, 1962, will be taken into consideration." And this is the important section — "Whereas in the course of such a review any special circumstances relating to the financial position of the province of Newfoundland after March 31, 1962, will be taken into consideration." This is the fact. It is there in the Bill, in the Act now as passed. — "And whereas in the course of such review any special circumstances" (such as Term 29) — he did not say but that is what it means — the financial position of the province of Newfoundland after March 31, 1962, would be taken into consideration. And Mr. Diefenbaker goes on to say — "Let me make this clear" — and it is to be found on page 5992 of Hansard, July 14 — "Let me make this clear, regard and full regard will be had to assuring these conditions inherent in Section 29 will be upheld to the end that Newfoundland shall enjoy a reasonable degree of equality of opportunity with other provinces in this country." Now, what is wrong with that? That is in Hansard. It is on the record — and he does now say in that review full regard will be had to assuring these conditions —

Premier Smallwood: Who said that?

Mr. Hollett: Mr. Diefenbaker.

Premier Smallwood: That is the Prime Minister. Is that the same gentleman who said the payments would be in full and final settlement or all our rights under Term 29? Is it the same man?

Mr. Hollett: If the hon. the Premier wants me to answer that I will do it right now. Fiscal year 1957-58, \$6.1 million. Yes, that is final and irrevocable for that year. 1958-59 — that is final and irrevocable. And so on all these amounts — whether he meant that or not, that is my interpretation.

Premier Smallwood: He said — after that, in 1962, the last payment would be made,

and these all taken together would be in full and final and irrevocable.

Mr. Hollett: He did not say any such thing. Nonsense! The words have been put in his mouth falsely and maliciously, politically. Let me make this clear: "In that review regard and full regard will be had to assuring these conditions inherent" — What more do we want? Mr. Speaker, I wonder could we have five or ten minutes recess?

Premier Smallwood: Mr. Speaker, before the recess may I ask a question on this point?

Mr. Renouf: No.

Premier Smallwood: Well we won't have a recess, go right on. May I ask a question?

Mr. Hollett: No!

Premier Smallwood: Well, no recess — go right on.

Mr. Hollett: The hon. the Premier —

Mr. Speaker: It is agreed there be a recess?

Premier Smallwood: No.

Mr. Speaker: I shall have to make it a motion.

Mr. Hollett: Mr. Speaker, I move that we recess now for 10 minutes only.

Mr. Speaker: I declare the motion lost.

Mr. Hollett: Mr. Speaker, could we have a standing vote on that? Please!

Premier Smallwood: We will have a standing vote.

Mr. Hollett: Now.

Premier Smallwood: And we will have quite a vote after that.

Mr. Hollett: Now I have been threatened many times.

Mr. Speaker: The hon. member will continue.

Mr. Hollett: I have asked for a standing vote.

Premier Smallwood: It takes five to request that — It takes five members and there are only two over there.

Mr. Speaker: According to Standing Orders it requires five members to request a standing vote.

Mr. Hollett: I will give three of them myself. If the hon. the Premier wants to insist, I can carry on to six and tonight, tomorrow night and the next night. Sitting down there comfortably, and all he has to do is go out. Well, I won't say —

Premier Smallwood: Let us be fair — If the hon. gentleman would like a recess of 10 minutes let him. Would he like a cup of tea?

Mr. Renouf: I am going out to have my recess. I am not going to be dictated to.

Mr. Speaker: Order!

Premier Smallwood: Go out! You won't be back.

Mr. Hollett: Have I the floor, or have I not. Will you put the disturbing creature out of this.

Mr. Speaker: Order! Will the hon. member continue. He was not speaking at the time.

Mr. Hollett: Mr. Diefenbaker goes on to say, after stating that full regard will be had to assuring that this condition inherent in Section 29 — he goes on to say — "That is the essence of Confederation and that is the essence of the principle upon which we believe that the future of the Confederation shall be maintained." Mr. Speaker, I ask, is that not that fair enough for every Newfoundlander, every Canadian? Is not that fair? Is not that exactly what Mr. St. Laurent said? I will have to quote that too — I am sorry if I am quoting too much.

Mr. Forsey: Mr. Speaker, to a Point of Order — If we are going to be asked to support or not, I would ask the Leader of the Opposition to frame it as a statement. I cannot have his assuming that, by silence, I

agree with some of the remarks he frames as questions.

Mr. Speaker: I am sorry! I cannot see how that can be recognized as a Point of Order. The Leader of the Opposition will continue.

Mr. Hollett: I am quoting Mr. Diefenbaker in regard to the principle. I want to quote Mr. St. Laurent now — I take it one man is no more hon. than the other, both Prime Ministers of this great and growing nation of which we form a part. Mr. St. Laurent said, and I quote from page 269 of Hansard — "It was also provided that, within eight years of the coming into force the Terms of Union, a Commission would be set up to examine the situation anew and to report as to whether or not the Terms provided are working satisfactorily, and are sufficient to bring about the object of equalizing the lot of the people of the new province with that of the people of the other provinces. There is no undertaking to implement any terms of recommendations that may be made at that time, by a Royal Commission." I want that to sink in. Mr. St. Laurent, an hon. man if ever there was one.

Mr. Forsey: I did not get that remark, Sir.

Mr. Hollett: I suppose I have time to draw a breath occasionally. I can't get a cup of tea. Better for the hon. member to stay up in Corner Brook where he spent most of the year, instead of interrupting. I shall have to read that over again, Mr. Speaker: "It was also provided that, within eight years from the coming into force of the Terms of Union, a Commission would be set up to examine the situation anew and to report as to whether or not the Terms provided are working satisfactorily, and are sufficient to bring about the object of equalizing the lot of the people of the new province with that of the people of the other provinces. There is no undertaking to implement any terms of recommendations that may be made..." I want to inject a remark there: Mr. St. Laurent said that Mr. Goldenberg, the lawyer for the Newfoundland Royal Commission said exactly the same thing — there is no undertaking to implement the recommendations of the McNair Commission. But the present government in Ottawa are implementing them. Now I shall go on:

"But there is no undertaking to implement any terms of recommendations that may be made by a Royal Commission." It was felt by the Newfoundland delegates, of which the Premier was one, and by the representatives of the Canadian government, and Mr. St. Laurent was one, that this was something that was entered into in a spirit of fairness on both sides, and it was not necessary to make binding stipulations about what would happen with respect to the report of the Royal Commission. It was felt if there was an investigation and a report by a Royal Commission, in which the public of that time would have confidence, the legislators of that time could be well be trusted to do what would prove to be right in order to make the enlarged nation a new united nation, continuing on its path and progressing towards its great destiny. That is Mr. St. Laurent: And Mr. Diefenbaker: That is the essence of Confederation, that is the essence of the principle of what we believe. The spirit of Confederation shall be maintained. I ask us all to reconsider these statements. I suppose we could admit that some statesman in Ottawa made a faux pas or made a statement which today perhaps he might not approve of. I wonder how many men in this house there are who have not made statements similarly.

Premier Smallwood: The faux pas was a written statement he stood up and read out — Call that a faux pas?

Mr. Hollett: The Bill goes on, Sir, and states that it is now desirable to enact a measure to provide — I have not quite finished but was wondering if we could have five or 10 minutes recess.

Premier Smallwood: Yes, agreed — Don't get mad!
On motion the house recessed for 10 minutes, after which Mr. Speaker resumed the Chair.

Mr. Speaker: The hon. Leader of the Opposition was speaking when the house recessed, and has the floor.

Mr. Hollett: Mr. Speaker, when we left for a brief recess — and I want to thank you, Sir, and the hon. the Premier, for allowing us to

go for a cup of tea — I hope we will always be as generous as that.

Premier Smallwood: At least a cup of tea — I hope I will never be too mean for a cup of tea.

Mr. Hollett: Well it was a job to get it this afternoon, Mr. Speaker, I take it the tea probably was not ready or something. Now before we went to recess I was trying to express to the house the opinions of both Mr. St. Laurent, the hon. Mr. St. Laurent and the hon. Mr. Diefenbaker, as to their concept of Confederation and what it meant. I came to the conclusion, and I think everybody who heard me must have come naturally to the conclusion, that their concept of Confederation and what it means relative to the relations, and other matters in that connection between the federal government and the provinces was identical. Their whole desire was, and is today, and I hope whoever becomes Prime Minister of Canada after the hon. Mr. Diefenbaker has "gone home to his father" — some time yet — will have the same concept of Confederation. That concept is, Sir, that in so far as possible every citizen of Canada, whether he be on the Labrador, here in St. John's, Port aux Basques, British Columbia, Alaska, anywhere, any citizen will have the right to the same consideration as all the rest of the citizens, every province will acquire, as far as possible, the same public services. If the federal government at Ottawa be Liberal, Tory, Labour, (there is a new party, I forget the name on it) whoever is in power they will give to all Canadian citizens, insofar as possible, that same broad-minded consideration which was envisaged by those great fathers of Confederation away back in 1867. I would like to draw attention, Sir, to the fact that in my opinion the Federal Government since Mr. Diefenbaker — and by the way his name has been mentioned quite often since he came into office — I would like to draw attention to the fact that, whereas in 1957-58, the unconditional grants to Newfoundland were less than \$20 million they were, for 1958-59, \$40,847,000. Now I want to be fair, and I will take off about \$7 millions of that and make it about \$33 millions, because they have included there \$13,550, and that, in my opinion, should be spread over a period

of about two years. But taking off \$7 millions means \$33 million in unconditional grants came to Newfoundland from Canada since the election of the present government; \$33 million as against less than \$20 million the year before. Next year the government, whoever is in power here, whether it be the Liberals or Tories, or whether it be Labour or what-not, will receive some \$34.25 million as against, I say, \$19,144,000 for the last year the Liberals were in power in Ottawa. Nobody can dispute these figures, Sir. Does that show the federal government at Ottawa, the present federal government at Ottawa have been mean, that they are trying to make second class citizens out of Newfoundlanders? I go on to the conditional grants, having reference to these grants made to Newfoundland since 1957-58 on account of health, hospital insurance, highways and so on. Whereas, in 1958, the conditional grants were \$5.75 million from the Liberal administration, in the last year of the Liberal administration in Ottawa, in 1958-59, from the present administration they were \$14.5 million. Does that show that we have a niggardly crowd in Ottawa not trying to help us here?

Premier Smallwood: Would the hon. gentleman allow me to ask a question on that? Obviously that is because we have spent more money on the Trans-Canada Highway in the last two years, because we spent the 90-10 portion of it, and also the health program has come into effect. Were not both of these put into effect by the Liberals before they went out, both of them?

Mr. Hollett: The Liberals did not give any monies toward it.

Premier Smallwood: No, because we did not go ahead with them until the last two years.

Mr. Hollett: It is a fact this government received that from Ottawa since the Diefenbaker government assumed power.

Premier Smallwood: They had no choice. We decided to participate in the plans the Liberals made before they went out, and we did it.

Mr. Hollett: I begin to think, Mr. Speaker,

the hon. the Premier will claim one of these days credit for the world, and the world, you know, took seven days, was it? I believe the hon. the Premier thinks he could do it in less than that. Anything I say here today in favour of the present administration in Ottawa will be denied tomorrow by the hon. the Premier — doing this and doing that — I know exactly what he is going to say. I heard it before. I want the hon. the Premier tomorrow to be just as fair as I am trying to be today. I am quoting facts and figures, and figures cannot be denied.

Premier Smallwood: The hon. gentleman is not explaining them.

Mr. Hollett: I am explaining them. The hon. the Premier is not facing them.

Premier Smallwood: I don't think the hon. the Premier said the hon. Leader of the Opposition was lying at any point.

Mr. Hollett: No, I am waiting until tomorrow to hear that, Sir. I would like to point out that, prior to 1956-57 the Liberals were in power (and that is from 1949 the year we went into Confederation until 1956-57) and the amount of money paid over to us in various ways — of course that includes, and I must be fair again, old age security, family allowances, unemployment insurance benefits, and these are items which the federal government at Ottawa cannot be niggardly with, whereas in the years prior to the present administration coming into power Newfoundland received altogether some \$341 million, since the present administration came into power we will have received, I believe, something like \$241 million.

Mr. Murray: These figures are from Mr. Browne's speech.

Mr. Hollett: Mr. Browne's speech? He may have used them in his speech but they are from the Bureau of Statistics, and I take it Mr. Browne would have sense enough to get the figures from the Bureau of Statistics and not pull them out of the clouds.

Premier Smallwood: Mr. Fulton did not have that same sense.

Mr. Hollett: Mr. Fulton had. He misquoted

them. He is not the only man to make a mistake. I am not trying to defend the administration, but am trying to prove they are not cut-throats and back-stabbers, they are not trying to deny our rights under Term 29. No! They are giving us better rights than Term 29 ever envisaged. I want to point out that, in addition to all these grants here, in this year, 1960, nearly \$6.5 million will have been spent in Newfoundland on harbours, by way of public works and public wharves and bridges etc. I have the list here for this year: \$1,168,000, and St. John's \$1,071,000, Bonavista-Twillingate, \$83,000 — Port aux Basques, Battle Harbour, Bauline, Bay de Verde, Bell Island, Shoe Cove, Noddy Tickle, whatever that is, Hamilton, Carmánville, Catalina, Codroy, Doting Cove — I am mentioning these places, Sir, because these places are outside what we have considered heretofore as "PC" areas. Doting Cove, Eastport, Eddy's Cove, Fredericton, Freshwater, Gooseberry Cove, Grand Bank, Gull Island, Hamilton, Harbour Breton, Harbour Main, Raleigh, Hermitage, Herring Neck, and all these other places, Mings Bight, Halls Bay, Old Perlican, Point Lance, etc. etc. nearly \$6.5 million spent, mostly on harbours. It is called the Harbour and Engineering Service. Last year this same government, which has been so wickedly accused, I say, spent \$6.1 million in places all over the island, building these very things our people needed for a long time, public wharves and public facilities in the harbours, absolutely necessary. In other words, in the two years in which the present administration in Ottawa has been in power, they have spent over \$12 million on these harbour facilities. I want to point out too, Sir, that this present administration in Ottawa offered to us last year, as well as to other provinces, funds for what they call "access roads", and "roads to resources." I wonder what advantage was taken of that by the present provincial administration?

Premier Smallwood: Well, does the hon. gentleman not know? The government of Canada to this moment refused to sign that agreement with us. We still have not got the agreement. We begged them to sign it.

Mr. Hollett: I do know no effort was made

by the present administration here in St. John's to get it signed.

Premier Smallwood: We have been endeavouring for 12 months to get that signed, and they have not signed it yet.

Mr. Hollett: The endeavours have not been made.

Premier Smallwood: We have gone to Ottawa, and I have gone myself to Mr. Hamilton and pleaded with him to sign it. I did not make it public and was not going to.

Mr. Hollett: Somebody soon will have to make it public — Our access roads have to be built. They are built in the other provinces and not built here. Even though it is caused by anger between the Premier and the Prime Minister, the people are not going to stand for that. They have also offered, Sir, to build transmission lines for power development. That has not been yet brought into implementation by the present administration. I am only quoting these things to try to show the people of this house and you, Sir, and the people of this country, that an administration at Ottawa, which has given us almost double the grants, transitional, at least conditional and unconditional, double the amount of the previous administration, that has spent \$12 million in the last two years (including this year) will have spent \$12 million in building wharves, that such an administration, Sir, in Ottawa, is not there to do to this province and its citizens some of these things which the people on the opposite (government) side of the house have been saying.

I hope the hon. the Premier will not attempt to do what he said he would do, on the twenty-fifth of June, 1955, when he was speaking up in St. Andrews — By-The-Sea in New Brunswick, I believe it is. This is what the Premier said, and this is a quotation from one of the papers up there. "Premier Joseph Smallwood threatened last night to lead Newfoundland out of Confederation with Canada unless the federal government stopped discriminating against the four Atlantic Provinces, including his own."

Premier Smallwood: I said it not only when Diefenbaker was in, did I not?

Mr. Hollett: Yes. Well, when did the federal government discriminate against them? Have they discriminated since Mr. Diefenbaker was in power?

Premier Smallwood: Yes, of course they have. In 20 ways.

Mr. Hollett: Not at all.

Premier Smallwood: I believe on the same occasion I said, "before we became second class citizens of Canada we will show the other Maritime Provinces how to get out of Confederation."

Mr. Hollett: Does the hon. the Premier think that he, as famous as he has made his name and himself, by putting this province into Confederation, can turn around suddenly and, because of his disagreement with a "PC" government in Ottawa, can ask the people and expect them to walk out of Confederation again in this Province? A people who, in 1959-60, will have received in transitional, in conditional grants and unconditional grants and old age security and family allowances etc, next year will have received some \$75 million in addition. The federal government will have spent in this province some \$6 million on harbours and other public works. Does the hon. the Premier think he can turn to our people and say — "Get out of Confederation"? And not only that, but that he could tell the others how to get out of it? Now I am only reminding us that the speeches of the hon. the Premier are a bit on the wild side. I am sorry, Sir, that he makes them, because, Sir, I have acquired a greater understanding of this man who is the hon. the Premier than I had 10 years ago, or that I had five years ago, and perhaps than I had yesterday. He is dynamic. I will give him credit for being sharp and smart. I also give him credit for saying things he has no right to say, he should not say and would not dare to say if he did not get angry. And we all get angry. I say I have a greater understanding of the man who is the Premier of this country and who put us into Confederation and who is responsible. I admit that. And I was one of those who opposed going into Confederation, on these particular Terms. I did not think the Terms were good enough. But I do say now, by going into Confederation

with Canada, I say, this great Canada, our people are much better off today than they could possibly have been unless that man had led us into Confederation. But I will say this, Sir, it will take a lot more than the hon. the Premier to lead our people out of Confederation today. Yes! Where would we go without Confederation?

Premier Smallwood: It would be a lot easier, yes, to get Diefenbaker out, wouldn't it, and get better results?

Mr. Hollett: Is that the idea of bringing in this Resolution? I think it is?

Premier Smallwood: Of course — from end to end of Canada.

Mr. Hollett: It is to spread across the whole of Canada?

Premier Smallwood: Right across Canada.

Mr. Hollett: The fact, mind you, we have been discriminated against, we have been made second class citizens — Newfoundland did not vote for me last time, I will have nothing to do with it?

Premier Smallwood: That is right.

Mr. Hollett: That is what the hon. the Premier and what's his name Pickersgill, are trying to get across. That is the whole idea, Sir. And mind you I object. I object very strongly too, when a matter of this nature so important to Newfoundland so important for our people to understand it — I object to Mr. Pickersgill coming down here and going on the air and trying to tell our people what they ought to do and ought not to do. Let him go to Bonavista, if he wants. By the way, Mr. Speaker, I don't intend to say much more. I do say this — I do say this: Unless papers like this, and this is the "Daily News" can endeavour to give our people more truly the facts, and if certain broadcasting stations cannot give more correct facts with regard to our relations, financial and otherwise, with the federal government, then our people are going to suffer. And I for one, Sir, as long as I have breath, shall not stand idly by and be too darn cowardly to raise my voice to try to tell the people the truth. Because if I don't tell the

people the truth, tell them what is going on, tell them, without prejudice one way or the other, then I am not being fair to our people. Our people have had it tough, Sir, in the past. My people had it tough where I came from and the people of these men, Sir, on the opposite side, these members some of them had it tough, and I expect will have it tough again, but it is not going to be any better if we are going to mix up lousy politics, and I repeat — lousy politics! — with the matter which is of such moment as the Terms of Union. Yes. Yes. If we have an ordinary disagreement between the Premier of Newfoundland and the Prime Minister of Canada, and it is going to hurt our people, all right let us get rid of one of them.

Premier Smallwood: You better get rid of two of them, if you want to.

Mr. Hollett: Why have our people suffer? One may want to get up and say — "Look what I did! I brought in Confederation. I wrote it. I sweated blood in the day's heat, myself and McKay, and this is the way the federal government are going to treat us." Mr. Speaker, I tell you this — The federal government will definitely, whether it be Liberal or Tory in 1962, will definitely give us greater consideration by reason of the fact that a review will then take place than if they had said — "Yes, we will give you \$8 million in perpetuity." This perpetuity idea, Mr. Speaker, is ridiculous. What Royal Commission and what government, if you like, would bring in legislation to say we are going to pay the province of Newfoundland, under Term 29, irrespective of all other grants, the sum of \$8 million to continue her public services, to continue her public services as in this year, 1957? Does not the hon. the Premier, and does, Mr. Speaker, not any person realize our population is increasing so fast that it will be absolutely impossible to keep up our public services in 1962 with the \$8 million to continue them as they are? Do they realise — I had the minister of Education's report here. I left it up in my office. The report there states that, whereas in 1949, teachers' salaries and other things in connection with education cost \$2.5 million last year, this year, it will cost \$15.5 million? That is only eight or nine years. In 1962, Sir, they are

going to cost much more, much more than \$15 million. And Mr. Diefenbaker has made it plain there that every consideration will be given to the public services of Newfoundland under Term 29. He says so distinctly in the house.

Premier Smallwood: It is not there. It is not in the legislation.

Mr. Hollett: In the house. I want to make this appeal to the people of this house, whether Liberal or Tory or what not — Let us get together on the Terms of Confederation. The Terms of Confederation are not like some little bit of legislation affecting a half dozen people. The Terms of Confederation affect a whole province, in fact affect our relations and possibly could effect grants we might receive in addition to Term 29. We, Sir, on this side of the house — and I speak as my colleague did — we do believe that the Bill brought into the House of Commons in Ottawa the other day is a greater security for the continuation of the public services, continuation of paying the salaries of the teachers, salaries of civil servants, continuation of our road facilities, continuation of all our public services; this, Sir, this legislation is a greater guarantee of certainty for us than the \$8 million a year in perpetuity. There is no question about it at all, no question about it all. Let me quote you? In 1949 all our grants put together, conditional and unconditional amounted to \$14 millions. They have been increasing ever since. And I will say, in all fairness, were increased by the Liberal government and must be increased by whatever government that takes power, whether Liberal or Tory. I have already pointed out that, in the last two years, the Diefenbaker government have not punished us; because we have not voted seven Liberals, as a matter of fact, he has given us more money than we ever would have gotten under a Liberal administration.

Now, Sir, we on this side of the house cannot agree to approving this Resolution. I quite understand the hon. the Premier's reason for bringing it in. He has not said. But I do wish he would take my advice for once and agree with me that this legislation is a greater much greater consideration for our people in Newfoundland than anything that could be gotten under the strict Terms

of Union, Term 29. I feel, and mind you again, let me point out, Sir, that twice this year we did agree in principle with Resolutions brought in by the hon. the Premier. Why did we do it? Because we are Newfoundlanders. And we are disagreeing today because we are Newfoundlanders, and because we have the welfare of our people (and I believe the hon. the Premier certainly has the welfare of the people) at heart. But I do think the hon. the Premier and some of his colleagues and some of the Liberals in Ottawa are prejudiced. They are making political hay, or hash, whatever you want to call it, out of this Term 29. It is my opinion that the Diefenbaker administration or the Pearson administration, which ever is in power in 1962, will have to pay to our Newfoundland people, under Term 29, much more than the \$8 million which is supposed to be recommended here by the McNair Commission. I do, therefore, appeal to the hon. the Premier, and his colleagues, that, as was suggested by my hon. colleague yesterday, if they could take time out to consider it, consider it from every aspect (we have men here who are more familiar with the needs of Newfoundland people than either the Premier or myself. We have the hon. the senior member for Harbour Main (Mr. Lewis) who has been in this thing for four or five years, and I believe would agree with me, that in 1962 we are going to need more than \$8 million to keep our standard of public services. After all, did he not recommend, did he and his Commission not recommend \$15 million? They recommended \$15 million. Why settle for eight now? I give that to the hon. minister without portfolio. If that Commission was right and proper in its recommendations and recommended to the McNair Commission that \$15 million were required to keep the standards of our public services up to the level they were in 1957, why does he or anyone of his colleagues want to settle now for \$8 million? I would not settle. Not at all. Keep Term 29 open and demand more.

Premier Smallwood: That is what we want to do. Keep it open.

Mr. Hollett: This won't do it.

Premier Smallwood: It might.

Mr. Hollett: Then the hon. the Premier does not believe in anything the Prime Minister says. I have no reason to doubt his word. He has not fallen down on anything he said yet. Let any member on the other side state where and when has Mr. Diefenbaker fallen down on his word to this country.

Premier Smallwood: That is funny.

Mr. Hollett: It may be funny, make a little lousy politicking to the country — do what he is going to do — I know you are not bringing all —

Premier Smallwood: It is a good but sad joke.

Mr. Hollett: What is that going to do? Is that going to make the Diefenbaker administration in Ottawa change their minds and get frightened. They were never frightened yet. Oh yes! Well! we will see.

Premier Smallwood: We will see.

Mr. Hollett: I have greater respect for them than that they would be afraid of anybody in this house. "Now is the time for all good men to come to the aid of his party." I have quoted this, I am going to quote it once more and then I shall sit down, Mr. Speaker, because I might tell you, Sir, I am only a Newfoundlander. Oh I might be a Canadian citizen too, but I have ever yet had any reason to give the lie to any actions which might result from any statement by any Prime Minister of Canada. We have had a succession of about six or seven or eight Prime Ministers since 1867. They have to be hon. men, Sir, they have to be men almost above reproach, if there are any who are not, I have not met one yet — They have to be honourable and have to carry out these things they say they will do or else, if they refuse to do it, as they have said under this Act and Mr. Diefenbaker said — "Let me make this clear, in that review, as under Term 29, regard and full regard will be had to assuring those conditions inherent in Section 29." It cannot be any clearer.

Premier Smallwood: Is that the legislation or just his words?

Mr. Hollett: They are just his words.

Premier Smallwood: Have you not to stack them up against his words — “final and irrevocable.”?

Mr. Hollett: We will go back to the legislation again. I did not think I would be drawn back there again. In the explanatory note — “The purpose of this Bill...”

Premier Smallwood: Is the explanatory note part of the Bill?

Mr. Hollett: Yes it is part of the Bill, printed on it — Can't you see?

Premier Smallwood: That is only the draft. It is not the Act. It is not law. The law is not like that. It was not passed like that. That is just the Bill.

Mr. Hollett: Quibbling around.

Premier Smallwood: The Act has not got that in it.

Mr. Hollett: Not the explanatory note?

Premier Smallwood: No, and therefore it is not part of it.

Mr. Hollett: Well it has this in it — Look! “Whereas in the course of such a review”....

Premier Smallwood: Yes, it has that. That is a review of the financial relations between the government and all the provinces — “Whereas in the course of any review any circumstances relating to the finances relating to the province of Newfoundland ...” They will give a thought to them, any of these — they will give a thought to them. They will give a thought to them, it says.

Mr. Hollett: What do you want them to do?

Premier Smallwood: Act on them, not give them a thought.

Mr. Hollett: How can they act before 1962, Mr. Speaker?

Premier Smallwood: They could act now. The Royal Commission recommended it.

Mr. Hollett: Who knows what will be needed in 1962? And Mr. Diefenbaker and the government left the door open — and said: “We don't know any more than the hon. the Premier or the McNair Commission. We don't know but will consider it in 1962 again and we will see that Newfoundland gets its just dues under the provisions of the term.” Therefore, Sir, I say, we are going to get better treatment than we would get if it were settled now for \$8 million. I want to say again, Sir, that this has been an arduous study, to follow all the speeches, follow all that has been written since 1949. It is quite a job. And I am happy to think, I am happy to think that we had Term 29. I am happy to think that the government have made good all the recommendations which were made by the McNair Commission, that the federal government has listened to the appeal made by the hon. the Premier when he said he wanted a review, he wanted a review eight years hence, he said. He said No?

Premier Smallwood: Now the hon. gentleman said he does not want to misquote me. I said I wanted a review within Term 29. This is not within Term 29.

Mr. Hollett: Why should they review any special circumstances relating to Newfoundland under any other clause or section.

Premier Smallwood: I don't know why. That is what they have done, lumped it that way.

Mr. Hollett: They say so there.

Premier Smallwood: No they don't — That is the whole quarrel we have.

Mr. Hollett: You have no quarrel, only dirty, filthy politics, trying to build up now a reputation for the Liberal party of Canada and using Newfoundland to do it. That is what you are trying to do — “To Hell with Newfoundland” that is what it is saying — “We want to build up the great Liberal, Pearson Party in Canada” — Therefore you are trying to use it to try to spike any effort made by the present federal government in Ottawa. I think it is disgraceful and I hope too, many of us Newfoundlanders won't be

party to it. I assure you, Sir, in my opinion — and I have the right to my opinion as much as the hon. the Premier or anybody else, we shall benefit by reason of the fact legislation has been passed as it is, and as such and consequently believing that, we do not support this Resolution. Thank you, Sir!

(Applause from Mr. Renouf):

Hon. J. T. Cheeseman (Minister of Fisheries): Mr. Speaker, I rise to support the Resolution now before the house. However, before proceeding to discuss the Resolution I would, Sir, with your permission, like to join my colleagues who have spoken before me, in congratulating the hon. member for St. John's East (Mr. Higgins) and the hon. member for St. John's Centre (Mr. Duffy) for the stand —

Mr. Hollett: Following in your footsteps.

Mr. Cheeseman: — for the stand they have taken. I am sure that the decision was not an easy one. Sir, at the same time I should like to congratulate the hon. Leader of the Opposition (I may say a fellow Burinite) on the position that he has taken in this house during recent weeks. Whilst I am unable to agree with his attitude this afternoon, I am certain that what he said has been in all sincerity. I know that the hon. Leader of the Opposition finds himself in a very difficult position. But I am satisfied, as I think everyone is who knows him, that there is no more sincere Newfoundlanders living in this province than the hon. Leader of the Opposition. I can also congratulate the hon. member for St. John's South (Mr. Renouf) on the excellent manner in which he read from Hansard yesterday, and for his great faith in human nature, even to the extent that he is able to express great faith even in those who would rob us of our rights. Mr. Speaker, I do not propose to attempt to argue the legality or otherwise of Term 29. It would be presumptuous for me to do so. The historical and legal aspects of Term 29 have been very ably argued by the hon. the Premier and by my hon. colleague the minister of Provincial Affairs, (Mr. Murray). I do, however, fully agree that the government of Canada, by its recent act in setting March 31, 1962 as the terminating date of Term 29 have violated a solemn pact that

was made by men of good-will, on both sides, at the time that the Terms of Confederation were negotiated.

It is, I think, Mr. Speaker, fairly well known to a great many people in this province that I opposed the manner in which the Terms of Union were negotiated. I did so because I thought then, as I still think, that the Terms of Union, as negotiated and concluded, were not realistic and that they were not adequate. And I believe, Sir, subsequent events have proven that the Terms, certainly the financial Terms of Union, were not adequate. I confess that, at the time that I opposed the Terms of Union, I did not do so with any thought that there ever would be at Ottawa a government that would even attempt to repudiate any part of the Terms that were then entered into. I believe, Mr. Speaker, honestly and sincerely, that it is now the duty of every member of this house, and indeed the duty of the people of Newfoundland, to let it be known throughout the whole of Canada, and indeed beyond the borders of Canada, that there is at Ottawa at this time a government that has broken a solemn pact with this province of Newfoundland.

Mr. Hollett: That is good for it, if they have.

Mr. Cheeseman: Furthermore that there is a Newfoundlander in the cabinet at Ottawa, the hon. W. J. Browne, who not only agreed with this act of violation, but has publicly attempted to defend it. Mr. Speaker, the Prime Minister of Canada, the hon. John Diefenbaker, the minister of Finance, the hon. Mr. Fleming and the Newfoundland minister without Portfolio, the hon. W. J. Browne, have all added insult to injury by attempting to prove that Ottawa has been more generous with us than we have a right to expect, more generous to us than they have been to other provinces, indeed that we ought to be very happy and grateful that they have been so generous to us. But in my opinion this is not the case, Mr. Speaker. We did not come to Canada as paupers. We brought to Canada a very, very rich heritage, we brought some 400,000 citizens of the finest British stock, second to none in any part of Canada. We brought to Canada a great wealth of minerals, forests, water-powers and fisheries, and by the acquisition of Newfoundland, Canada acquired an out-

standing geographical strategic position in the North Atlantic, a position that placed her foremost in the Nations of the World.

Mr. Speaker, I submit that these are not the things that can be measured by mere dollars and cents. These are not the things upon which any one can place a price tag. Mr. Speaker, in my opinion, Term 29 was intended to act as sheet anchor for Newfoundland. Just in case there is anyone within my hearing who does not know what a sheet anchor is, it is a spare anchor that is carried on ships to be used to assist in re-floating, if the ship should have the misfortune to become temporarily grounded. That sheet anchor was very necessary to Newfoundland, and it might well prove to be very useful at some future time. It was for that reason, I believe, that it was inserted in the Terms of Union. It was, I believe, solemnly agreed this sheet anchor should remain on board indefinitely, to be used if and when the occasion should arise. I believe that was recommended by the McNair Commission.

But the Prime Minister of Canada and his government have, without consulting Newfoundland, decided and informed us that that sheet anchor will be removed after March 31, 1962. This action of removing this very necessary sheet anchor is a betrayal of the rights of the people of Newfoundland. I refuse to believe that this action by the government of Canada represents the sentiments of the people or indeed that it represents the true sentiment of all the members of Mr. Diefenbaker's own party.

Mr. Speaker, it is my hope, and I am sure the hope of every member of this house and every Newfoundlander, that by 1962 Newfoundland will have achieved a financial position whereby she will no longer need any special assistance from Ottawa. I sincerely hope that we shall never again, after 1962, require any special assistance from Ottawa, under Term 29 or any other term. But, Sir, we know only too well that, despite the welfare state, the planned economy, there are such things as recessions and depressions, and there is always the possibility that some such recession or depression might arise at some future time, and then it would be very necessary and indeed it would be very helpful if we had some assurance that we in this province would not suf-

fer unduly. That, Sir, is very important to the people of this province.

Finally, Mr. Speaker, I say, if there are in Newfoundland any people today who do not understand the real meaning of Term 29, the real reason why it was included in the Terms of Union then I think that it ought to be made abundantly clear to them and indeed to all the people of Canada. Mr. Speaker, I feel that the Diefenbaker government has not only dealt a harmful blow to the people of Newfoundland but that by declaring that they intend to terminate Term 29 as of March 31, 1962 —

Mr. Hollett: When did they declare that?

Mr. Cheeseman: It is in the Bill. I do not propose at this time to go into quotations, so many quoted from the Bill. I think every one is fully familiar with all that is in the Bill and in the preamble —

Mr. Hollett: Going to quote, are you? Now?

Mr. Cheeseman: No, I won't even quote it because the hon. Leader himself quoted so well this afternoon, so much better than I could do it, and time is running out. I was about to say, Mr. Speaker, that the government of Canada have dealt a very serious blow to the good relations that ought to exist between the people of the mainland of Canada and the people of this province of Newfoundland. We are now Canada and there should be good-will from coast to coast. Mr. Speaker, it is, further, the duty of this house to make it known, from Newfoundland to Vancouver, that we feel we have been betrayed, that we have been robbed of our rights by this recent legislation. If we make that known sufficiently throughout Newfoundland and throughout Canada, the whole of Canada, I believe that we might yet create a public opinion across Canada that will persuade Diefenbaker and his government to undo at the next session of parliament the injustice and betrayal that they did so at this session, when they saw fit, without consulting us, to terminate Term 29 as of March 31, 1962.

(Applause from government side of the house)

Mr. Lewis: Mr. Speaker, I beg leave to move the adjournment of the debate.

Mr. Speaker: Adjournment of the debate moved by the hon. the senior member for Harbour Main.

On motion debate adjourned.

Premier Smallwood: Mr. Speaker, it being now five minutes to six o'clock, I move that the house do now adjourn until tomorrow, Friday, at three o'clock. On motion the house adjourned until tomorrow, Friday at three o'clock.

Friday, July 24, 1959

Afternoon Session

The house met at three o'clock.

Mr. Speaker in the Chair:

ORDERS OF THE DAY

PRIVILEGE

Hon. M. M. Hollett (Leader of the Opposition): Mr. Speaker, may I rise to a point of Privilege? I wish to draw to your attention, Sir, this morning's issue of the "Daily News", on page 3 I guess it is. Headed "Better Idea"—and I will just read a line or two. "Mr. Hollett contended Newfoundland has received \$77 million since Confederation". Now, Sir, for any Newfoundland paper to put that in, of course, is a bit on the ridiculous side and it is much more ridiculous for anybody in this house to say it. What I did say was this, Sir. That in the years 1959-60 we will have received \$77 million, in a year; one year, and that is not including the unemployment insurance which will probably be another \$17 million, which it was last year, which brings it to \$90 millions. Which I did actually say, \$77 millions last year. If we went into the amount since Confederation, Sir, it will be over \$600 million. I would like to put that straight on the record.

Hon. J. R. Smallwood (Premier): That came from Mr. Diefenbaker?

Mr. Hollett: The Bureau of Statistics.

Premier Smallwood: No, the money?

Mr. Hollett: Not since 1949.

Premier Smallwood: From the Canadian Treasury?

Mr. Hollett: I am only making a correction, Sir. If the hon. the Premier wants to go into detail—

Premier Smallwood: I just want to make it clear.

Mr. Hollett: To make it clear I quote again, from the debate of union. I do this in fairness to myself, and I think I have a right to do that. There was a lot of talk about fairness yesterday. "Mr. Hollett said Newfoundland received \$77 million since Confederation" I pointed out what I actually said. We will have received this year, actually, \$77,451,000 not including unemployment insurance, and when we consider last year unemployment insurance was over \$17 million, that would bring it up to \$90 million. But, the total amount since Confederation from the federal government of Canada, the Treasury of Canada, will be over \$600 million.

TERMS 29.

Mr. Speaker: I think the hon. member has made the correction clear. Resolution Re Term 29. I think the debate was adjourned by the hon. Minister without Portfolio. The hon. the senior member for Harbour Main now has the floor:

Hon. P. J. Lewis (Minister without Portfolio): Mr. Speaker, I thought that I said my last word in relation to Term 29 of the Terms of Union between Newfoundland and Canada when we concluded, at Ottawa, the hearing before the Royal Commission which had been set up by the federal government of Canada to consider that case. I find, however, circumstances have so ordained that I find myself in the position of having once again to refer to that clause and its implications, in the hope that I may add something towards the clarification, and proper understanding by this house and the public of Newfoundland, as to what was involved in that measure.

Mr. Speaker: in 1867, when the Father of Confederation conceived the idea of uniting into a cohesive whole a Nation that was

to be known as Canada, they adopted as the motto for that nation a phrase — "A Mari Usque Ad Mare" From Sea to Sea. And, in 1961, when the new parliament building was erected on Parliament Hill at Ottawa, over the portico at the entrance to that majestic structure they erected ten plaques, nine of which were put there to represent the then existing constituent parts of Canada, nine provinces in all. And, on each of these was inscribed, in due course, the coat of arms of the nine then existing provinces of Canada. But one was blank until 1949, when after prolonged negotiations, much heart-searching and indifatigable effort, the dream that was conceived in 1867 became a reality, and that plaque which had remained a blank for some years had inscribed upon it the motto and the coat of arms of this beloved Island of Newfoundland. Then, and not until then, Mr. Speaker, did this concept of the Fathers of Confederation become a reality. Then, and not until then was there fulfilled in letter, and in spirit, in fact and law, the concept of that motto which first appeared when Confederation was instituted because on the 31st of March, 1949, Canada, for the first time in her great history became a full-fledged Nation, and the shackles of geographic circumscription which had manacled her from 1867 were cast adrift, and then in truth and in fact could Canadians from coast to coast say that we are now a Nation, from sea to sea.

That great accomplishment of the rounding of that land mass from the Pacific to the Atlantic into a first rate power was due entirely and absolutely, to the great effort that was put into the idea of materializing confederation between Newfoundland and Canada. History records, Mr. Speaker, previous occasions in which men of great mental powers and outstanding ability went from this Island to Canada, and there conferred with men of equal stature, with a view to bringing about that great concept; but history also records that on each successive occasion these negotiations failed. And they always broke on one rock; namely, the financial provision that were to be made whereby, if Newfoundland became part of Canada, she could survive in the future and take her place as a composite part of that great nation. So it was that in 1949, when the delegation went from Newfoundland to

negotiate the Terms of Union, these gentlemen, no doubt, were fully aware that the one great obstacle to be overcome, before union could be consummated, was to find ways and means whereby, if, as, and when Newfoundland became an integral part of the Canadian Nation, she and her people could continue on into the future in such a manner, and in such a way, that her public services could be continued and maintained on a basis that is commensurate with the needs of our people, and also commensurate with the Canadian standard of public services then existing in other parts of Canada.

So it was that, for months and months, in conjunction with their mainland allies, they studied and struggled with a view to bringing about this great ideal. Now, there were men in Canada, who occupied high places in government and otherwise, who were conscious, fully, of the significance of bringing about this Union. They were not as many as they should have been but, as I say, there were men in high places who saw the significance of Newfoundland to Canada, and who saw that, if Canada could not absorb Newfoundland, she could never expand and develop as her destiny required. They saw, Mr. Speaker, a foreign country established within the four corners of this Island, having acquired bases for the defence of the North American Continent. They saw on the West Coast the panhandle of Alaska, which, too, was under a foreign nation. They saw here across the mouth of the St. Lawrence, controlling the approaches to the very heartland of the North American Continent, this great Island; and they knew that, in whose hands rested the government of Newfoundland, then in those hands lay the destiny of the North American Continent.

So it was that these people, not Newfoundlanders, but great Canadian statesmen, made up their minds that they would meet our conditions. Now, that was not generally known, but history has made it quite obvious since. Nevertheless, our delegation went and struggled, as I say, for months on end to bring about a basis of agreement whereby two countries could go along in harmony as part of our great nation. That resulted, Mr. Speaker, in the information of what we know as the "Terms of Union". The Terms of Union were a solemn com-

pact entered into between two competent bodies the government of Canada, acting on behalf of its people, and the government of Newfoundland acting, too, on behalf of the people of this province. That compact afterwards received legislative sanction. It was endorsed and passed by the federal Parliament of Canada, legislated upon by the local government of Newfoundland and then, over and above all that, it received the official sanction of the only big constitutional authority capable of dealing with changes in the British North America Act. The British North America Act, as we all know, is the Constitution of the great Dominion of Canada, and because of the nature of that Federation, it was provided

Mr. G. R. Renouf (St. John's South): Mr. Speaker, I wonder if the hon. and learned member would consent to my asking a question? Thank you! The question: — The British North America Act was the Constitution of Canada — would the hon. and learned member say it was exclusively the Constitution of Canada, or does it form part of the Constitution of Canada?

Mr. Lewis: Mr. Speaker, what is the British North America Act? It is the Constitution of Canada. It is the framework within which the Federation of Canada functions. It is an enactment of the United Kingdom Parliament, and only by that Parliament can that Constitution be changed. And there is a reason for it. The reason is that, because of the divergent interest in Canada, it had to be seen to that even though Canada today is a sovereign legislature, minority rights must be protected. The only way these can be protected is by seeing to it that that Act can only be repealed by one Constitutional Authority.

Now, the Terms of Union of Newfoundland with Canada were made part of that Act, part of the Constitution of Canada by virtue of the enactment of these three sovereign legislatures. It was a solemn compact entered into freely and willingly between our people, and the people of Canada, and every word and every Term of that is a sacred bond which can only be changed, as I say, by agreement between the parties, with the sanction of the imperial power.

Term 29, of which we have been hearing so

much was, as my hon. friend from Burgeo-LaPoile (Mr. Cheeseman) said yesterday, the sheet anchor in those Terms. Without Term 29 you could not have Confederation of Newfoundland with Canada. You could have it, but if you did well then we were at the mercy, if you like, of the good will of the federal parliament, the federal government of Canada, and no other safeguards existed. Then again, for many weeks, we were told, we were involved in formulating a plan whereby our rights in that regard would be respected. I had the privilege for four years to be associated with a gentleman who was one of the members who negotiated and consummated these terms of union. I am referring to Mr. Grouchy, former manager of the great industry at Grand Falls, who time and time again told us, when dealing with that matter as a commission set up by the local government, that he for one would never have signed these Terms had it not been for the fact that Term 29 was introduced as an integral part thereof. He looked upon it as a safeguard for Newfoundland's financial future, and I think that he acted and thought as the other members of that commission did. Mr. Ches Crosbie, who also was a member of the delegation, refused to sign, but his refusal to sign was based upon the fact that the then Prime Minister of Canada would not give an undertaking that the findings of the Royal Commission provided for in that Term would in fact be implemented by the government of Canada of that day.

Now, it is true, and there is no argument on the point, that there is no contractual or legal obligation, written into Term 29 which compels or impels the parliament or the government of Canada to implement the recommendations of the Royal Commission, but the spirit and intent of that Term are obvious and implicit to anybody who reads them. Let us analyze them. The Term itself spells out the fact that, because of the impossibility of forecasting with certainty the financial consequences to Newfoundland (at that time, 1948) it was necessary to set up a Royal Commission, or would be after eight years of union, to examine the financial position as at the date and to recommend what additional finances, if any, would be necessary to enable Newfoundland to continue its public service at the

standards then reached. These are the words that are written into the Term, and they create a solemn, constitutional obligation on the part of Canadian government; after the expiration of eight years, or within the eight years, to set up a Royal Commission to do what Term 29 says they should do.

The Canadian government did, in fact, set up that Royal Commission, and in so doing acted in strict conformity with the provisions of the Term. When they set up that Royal Commission, Mr. Speaker, they did as all governments do when commissions are appointed, i.e., they gave them "terms of reference". Those terms of reference set out the duty, the obligations, the work that is to be performed by that commission. This was no exception in this particular case. The Terms of Reference of the Royal Commission were in identical words with Term 29, and that Royal Commission which consisted of gentlemen of whom we all had heard, eminent men, eminent Canadians, judges, economists, were directed by the Canadian government, under the Great Seal of Canada, to do what? To examine into the financial position of Newfoundland and to make recommendations. What recommendations? After having made their examination, after having seen the financial position, after having assessed the requirements, to make the recommendations, recommendations as to what additional financial assistance, if any, was necessary — To do what? To continue the public services of Newfoundland at the standard reached as at that time. That was the mandate from the great authority, the greatest authority we had in the land, the government of Canada, in conformity with the bond that had been entered into between the people of this province and the people of Canada in 1949. That Commission sat. That Commission deliberated. That Commission made its findings, and whether we quarreled with the result of that is beside the point, whether they gave us as much as we thought we should get is also beside the point. The fact is that that Commission did examine into the financial position of Newfoundland. They did examine into the costs of the public services of Newfoundland. They did examine into the capacity of our people to pay. They did look at the comparative burden of taxation between here and the Maritime re-

gions. And, they came up with their answer, which was in the form of a recommendation; as they were directed to do by the Terms of Reference and as they were required to do by virtue of Term 29 as between the two governments. And, that recommendation, as we all know, consisted of paying so many million dollars per annum to this province for the very purpose that they were asked to recommend, i.e. for the continuance of the public services of this province.

Now, up to that point everything is legal, everything is constitutional, everything is correct. That is where we part company. From that point on, the compact between these two nations has not been carried out. The why or the wherefore of its not being carried through is not a matter with which I am going to deal. All I say is this, Mr. Speaker, as a Newfoundlander and as a member of this house. Implicit in Term 29 is this obligation, whatever the recommendation of the Royal Commission (which was constitutionally appointed) was in relation to the financial assistance to Newfoundland — the obligation of the Canadian government to carry out, and it does not lie within the power or authority (I am not speaking in the strict legal sense now, I am speaking in the moral and honourable sense) of one party to that compact to alter, amend, or abrogate. What has happened is that the Canadian government has refused to implement the obligations, or implement the recommendations, and to make available to Newfoundland what is its constitutional right under Term 29.

Hon. M. M. Hollett (Leader of the Opposition): May I be permitted to ask a question?

Mr. Speaker: The hon. member has yielded the floor.

Mr. Hollett: Would the hon. member for Harbour Main tell us exactly wherein the government of Canada have refused to carry out the recommendations?

Premier Smallwood: He is obviously leading up to that.

Mr. Hollett: I am not asking the hon. the Premier. When I want to ask him a question I shall do so.

Mr. Lewis: The answer to my honourable friend's question is very simple. The recommendation of the Royal Commission, in conformity with Term 29, was that Newfoundland should receive the sum of \$8 million per annum, less the transitional grant, up until 1962, and thereafter \$8 million per annum. That is the recommendation of the Royal Commission, Mr. Speaker, and the Bill that has been brought in and enacted in the federal parliament of Canada saws off that assistance at 1962, and in no way recognizes the fundamental recommendation implicit in the word "thereafter" — after 1962.

Mr. Hollett: May I be permitted to ask another question? Does the hon. member consider that \$8 million per annum, after 1962, would be sufficient, in view of the fact that his own recommendation was \$15 million?

Mr. Lewis: Before I answer that one, is my hon. friend satisfied with the answer to the first question? There has been definitely a breach of that recommendation?

Mr. Hollett: No! Oh No!

Mr. Renouf: I request permission, Mr. Speaker.

Mr. Speaker: If the hon. member would excuse me — I think the hon. member for Harbour Main should be permitted to deal with one question at a time.

Mr. Lewis: As to the second one, as to whether or not I am personally satisfied, that, Mr. Speaker, with all due respect, has no relevancy. It is true that the local Commission did recommend \$15 million.

Mr. Hollett: \$17 million was it?

Mr. Lewis: It was \$15 million as the minimum.

Mr. Hollett: I would like to ask a question while on that point — Did the hon. member's Commission recommend \$15 million or \$17 million?

Mr. Lewis: It does not matter which it is.

Mr. Hollett: I am asking that question and would like to have an answer.

Mr. Lewis: The recommendation was \$15 million.

Mr. Hollett: May I be permitted, further to that point, to read from the recommendation?

Mr. Speaker: Well, the hon. member has given the answer.

Mr. Hollett: May I ask the hon. member if he will read page 206 of the recommendation which his Commission brought in; — 206, starting at paragraph 3. It is only about three paragraphs.

Mr. Speaker: I think I might remark at this time — The hon. member who has the floor, unlike the Premier and the Leader of the Opposition, has a time limit of 90 minutes for his speech. I think hon. members might remember that.

Mr. Hollett: I just asked a question.

Mr. Lewis: What I said was this, Mr. Speaker. The recommendation was really \$15 million. Whether it was \$15 million or \$17 million does not matter a great deal. The fact is that it was considered by our Commission that a minimum of \$15 million was necessary.

Mr. Hollett: Or \$17 million.

Mr. Lewis: Call it \$17 million if you like — in order to continue the public services at the level and standard we thought they should be. Now, the fact is that the Royal Commission — and there was only one Royal Commission for the purpose of this discussion — did make a recommendation: "Thereafter" i.e., after 1962. The figure (say it is \$8 million) does not matter for the purpose of the argument. What it was should be continued into the future indefinitely. And, I submit, Mr. Speaker, that is the implicit obligation written into the Terms of Union and contained within Term 29, and any deviation from that recommendation is an absolute breach of trust —

Mr. Hollett: Nonsense!

Mr. Lewis: — as between the federal government of Canada and Newfoundland. Now, I do not say that there was any legal obligation upon the federal government to implement the recommendation of that Royal Commission. But what I do say is, Mr. Speaker, there was an obligation in honour, and a moral obligation to carry out what that government did, it definitely directs its own child (the Commission) to do; i.e. to recommend the form and scale of financial assistance necessary in order to allow this province to continue its public services at the level and standards reached in 1957 — and that Commission did as the parent directed it to do, in conformity with the spirit of Term 29 and then the government of Canada tore up, tore up that bond, and endeavoured, unilaterally, to abrogate our Terms of Union. Because, Mr. Speaker, without Term 29 —

Mr. Renouf: May I ask a question to my hon. and learned friend. I might ask, is that the hon. and learned opinion, his legal opinion or is it the judicial opinion or merely a personal opinion?

Mr. Lewis: Mr. Speaker, I am not here in the capacity of a judge. I am speaking as a member of this house, and I am speaking also as one who gave some time to the consideration of these Terms — and I say here, in spite of the constant interruptions, or any difference of opinion there may be, that the keystone of the Terms of Union was Term 29, as far as Newfoundland was concerned. And the federal structure, recommended in 1949, has to fall unless and except the financial position of Newfoundland will strengthen between now and 1962, in such a way that we can carry on, on our own, because it was quite evident to those of us who were engaged in the study of our position, under the Royal Commission set up by the Newfoundland government, that Newfoundland must have additional financial assistance if she was to function as a province of Canada; and if that were not the main objective of Term 29, then there was no reason for the appointment of a Royal Commission. It was just a subterfuge, merely dust thrown into the eyes of the

delegates who represented Newfoundland in Ottawa in 1949.

Mr. Hollett: The hon. member is throwing dirt now, not dust.

Mr. Lewis: I am dealing with the fundamentals of this Term. Mr. Speaker, without Term 29 we could never have had Confederation, without Term 29 we cannot continue in Confederation. My hon. friends on the other side have attempted to substitute, or justify the substitution of the shadow for the substance. The shadow is contained in this, a Bill enacted recently by the Parliament of Canada. There is not one word in the enacting portion of that Act which implements Term 29 beyond 1962. We have heard a lot of talk, but what has happened is this — I talked about dust being thrown in the eyes of our delegates. I don't think that happened. That would be an infamous thing, to think that a great nation like Canada, dealing with a small country like Newfoundland, across a bargaining table as people negotiating in 1949, would deliberately induce them to sign Terms of Union containing a clause, which was the life-blood of Confederation, knowing and reserving in the back of their minds — "Oh! We will never implement it!" That would have been treachery of the worst kind — And I am not suggesting it happened. It is unthinkable to believe it. The factual position today is rather that the spirit, the intent and the moral obligation which was conceived by those when we entered into Confederation and signed for Term 29 has been broken. There has been a breach of trust, and an attempt has been made to justify it by this legislation, and to that end references has been made to what is called the preamble. It is true that there are references in the preamble as to what the Canadian government intends to do in relation to Newfoundland in 1962. But, Mr. Speaker, words of that nature have no legal significance, therefore, they cannot be accepted as a substitution for the Constitutional Rights which we have under Term 29. In the one case we have substance, in the other case —

Mr. Hollett: May I interrupt to ask the hon. member for Harbour Main, what constitutional rights did we have under Term 29?

Mr. Lewis: We had these constitutional rights under Term 29 — the right to have a review within eight years of the time of union by a Royal Commission appointed by the government of Canada as to what financial requirements were needed in order to continue the services of this Province. These were our constitutional rights. And, that Commission was set up. That Commission made a recommendation, and what happened? Has that recommendation been carried out?

Mr. Hollett: And more so.

Mr. Lewis: There can be only one answer, one way that recommendation could be consummated and carried out in conformity with the Terms of Union, by legislation enacted. There is one, in fact, but it only partly implemented what the Royal Commission recommended. Implementation and performance in part is not performance in whole. And, there is only one conclusion to which logical men can come. I don't care what the nationality is, whether Newfoundlanders or Canadians, whether they reside on the Pacific Coast or on the Labrador, read the Terms of Union, read the history of what happened and read the legislation that followed, and if any man with an open mind cannot and does not come to the conclusion there has been a breach of trust and a betrayal of Newfoundland and its people, then he is not a rational human being.

Mr. Hollett: Mr. Speaker, I rise on a Point of Order: There are some of us here on this side of the house and a lot of Newfoundlanders who I would not class as irrational — I wonder if the hon. member would consider taking that back? Are we irrational, Sir, if we do not agree with the opposite side?

Mr. Lewis: Irrational in thinking, yes. Mr. Speaker, only irrational thinking could justify a member of this house, within or without, in saying the wording of this instrument I hold in my hand is the implementation of Term 29. Any man who comes to that conclusion is not irrational?

Mr. Speaker: Dealing with the Point of Order — I don't think it is unparliamentary to say that people who reach a certain conclusion are irrational. I can hardly call the

term unparliamentary. The hon. member will continue.

Mr. Lewis: Here again, Mr. Speaker, the conduct of the federal government is being justified on another ground. Namely that Newfoundland has received from Canada huge sums of money, amounting, I believe to some hundreds of millions of dollars since Confederation. What of it? What Newfoundland has received under the various headings to which my hon. friend referred are the rights which come to her as a province of Canada. There is nothing exceptional at all about them. They are benefits that accrue from Confederation and are, if you will, an accident of Confederation. That has nothing whatsoever to do with Term 29. But, while I am on that. Only last year there was a conference at which a substantial sum of money was available to the four Maritime provinces, and an attempt was made, so I am informed (I was not there at that conference) to limit that assistance to the three Mainland Maritime provinces, and it —

Mr. Hollett: Mr. Speaker, would the hon. member produce the evidence to show there was such an effort made.

Mr. Lewis: I was not there.

Mr. Hollett: Will the hon. member produce the definite proof. If you have not the evidence, well, don't say it.

Mr. Speaker: The hon. member is responsible for what he says.

Mr. Hollett: Irresponsible and irrational!

Mr. Lewis: I say: I am informed an attempt was made at that time to restrict that grant to the three Mainland Maritime provinces.

Mr. Hollett: Will the hon. member name his informant?

Mr. Lewis: I will not.

Mr. Hollett: Overruled — No evidence.

Mr. Lewis: The position is this. Whether my hon. friend supports it or not, it is only due to the eloquence and persuasive discussion

developed by the hon. the Premier of this house at that conference that Newfoundland was permitted to share in the Atlantic Grant. But she did get it in full. And I give full marks to the federal government and those representatives for all they have done in Newfoundland.

Mr. Hollett: We don't represent them. We represent the people.

Mr. Lewis: There is nobody trying to lessen the credit that should go to them for that. What I was trying to say, insofar as this Term is concerned, Term 29 has nothing whatever to do with these extraneous grants which came to this province by virtue of the fact it is a province of Canada, and not under any special Term of the Terms of Union. Term 29, Mr. Speaker, is sacred. Every word and every line in it is sacred and not alone Term 29 but every word in the Terms of Union, and no one authority can change one word of the Terms of Union. It is true it can be done by agreement. But, there was no attempt to agree upon the Terms by agreement of Term 29. That brings us to a question I would like to develop, i.e., the question of a periodic review. We, the Newfoundland Royal Commission, in making the study of that matter, came to the conclusion that a periodic review, after the findings of the Royal Commission was very necessary. It was necessary for two reasons — The Term itself did not make any provision for a period review, but if the Commission did in fact recommend "X" million dollars (whether eight or ten did not matter, we knew) and I think everybody else knew that the cost of the maintaining of our public services is a variable thing, it can go up or go down. The same thing applied to our revenues. If the revenues of Newfoundland go up, the difference between the cost of continuing our services and the ability to provide is narrowed. If our revenue goes down, the bridge between the cost of continuing and our ability to pay widens. So therefore —

Mr. Hollett: May I interrupt the hon. member to ask this question? Is it not a fact the Royal Commission, of which he was a member, the Newfoundland Royal Commission, is it not a fact that they recommended the following: That the said grant

(\$15 million or \$17 million as the case may be) might be paid annually to the Province of Newfoundland commencing in the fiscal year 1957-58 and that thereafter, after 1957-58, the amount of said annual grant should be subject to a periodic review? Is not that a fact?

Mr. Lewis: That is a fact, and I was endeavouring to develop why it was so. We saw the possibility of the difference between the cost, and our ability to pay, either widening or narrowing, as the case may be, depending upon the development or contraction of the fiscal position of this province. Therefore, we did not want to make a recommendation that Canada would pay — ad infinitum — a fixed sum of money, when in fact Newfoundland may not require it. On the other hand we did not want to be in a position where, as my hon. friend already said, a figure, whatever it might be, eight million dollars or five or three or two, recommended by the Royal Commission would be far too low. It might be necessary to bridge that gap. So we figured, at that time, a recommendation to the effect, to the Royal Commission, that they recommend a periodic review would be constituted, with good common sense. However, there was nothing in Term 29 which provided for it. It was within our province to make such a recommendation. It is another question as to whether or not it was within the province of the Royal Commission appointed by the federal government. No doubt, they in their wisdom, being strict jurists and anxious to conform to the four corners of their Commission, and at the same time not go outside the ambit or scope of Term 29 apparently felt it was beyond their authority to make such recommendations. Therefore, they stuck to the strict letter of the bond and said "Thereafter, \$8 million per annum." But the federal government did not do that. The federal government refused to implement that recommendation, and in so refusing, Mr. Speaker, they have, in fact, torn up the Terms of Union.

Now, the question is — What can we do about it? — It is true that there is no legal right to take it before any court to demand that that court should order that recommendation be implemented. The only thing that is left to Newfoundland is to protest, protest, with one voice if possible, but if that

is not possible, with a strong voice as possible her indignation, her shock, her abhorrence, of the fact that a solemn contract such as this, as entered into between the peoples of two great countries, should be treated in such a cavalier fashion as to be scrapped and thrown into the discard, and that our people be offered instead of this constitutional right, under Term 29, a vague promise at the end of some indefinite period certain special consideration will be given to Newfoundland. I have no doubt in my mind that at future Provincial-Federal Conferences in relation to the provinces across Canada, if Newfoundland is represented there, as she will be, special consideration will be given to her needs. Sure! Who doubts it? Why should she not be given special consideration? She has got a special case!

Mr. Hollett: Under Term 29.

Mr. Lewis: Under Term 29 is a different matter. Under Term 29 there is a pious hope, and Newfoundland cannot live on pious hopes.

Mr. Hollett: Cannot live on Term 29 — \$8 million?

Mr. Lewis: Yes, she could live on that. She could live in the realization that she could have confidence in, that she could have trust in, the government of Canada, of which she is a subject. As the situation stands at the moment, there is no ground for that trust. We know it does not appear in this Bill, but in March of this year the hon. the Prime Minister of Canada made a declaration, a solemn declaration of policy in relation to Newfoundland and Term 29. In that statement he said, categorically and absolutely, that the payments were up to 1962. Here are his words:

"A Resolution will shortly be placed on the Order Paper asking leave to introduce a Bill to carry into effect those provisions pertaining to the Terms of Union. Proposed payments will be unconditional, and will be in final and irrevocable settlement of the provisions of Article 29 and the contractual obligations of the union consummated in 1949."

Those are the words of the hon. the Prime Minister of Canada, made on March 25th.,

1959, apparently in his seat in the House of Commons in Ottawa. That, I take it, Mr. Speaker, can be accepted as the declared policy of the Canadian government vis-a-vis the Terms of Union of Newfoundland, and this Bill is an implementation in legalistic form of what the Prime Minister stated from his seat in the House of Parliament.

Mr. Hollett: Until 1962.

Mr. Lewis: Yes, that is what I am talking about. On that question of 1962, I would like to say a word:

Mr. Renouf: May I ask a brief question, with the consent of the hon. and learned member? Would the hon. and learned member read the Bill in question to clarify in our minds whether the announcement just quoted verbatim — "Final and Irrevocable" is in any way contained in the Bill in question, which is now the law of Canada.

Mr. Lewis: I am sorry, I did not get the last part.

Mr. Renouf: Would my hon. friend read in full the Bill under review, the federal bill "c", and, my hon. friend referred to a previous statement in the House of Commons, whether that has any bearing whatever to that Bill? I was a little confused by a reference from the quotation in the House of Commons made by the Prime Minister, which I understand, was not contained in this Bill, and I fail to see the point of quoting it, the previous statement of March.

Mr. Speaker: Order! The hon. member must not make a speech.

Mr. Lewis: Yes! I could not do better than read the complete statement.

Mr. Renouf: It was the Bill, I asked for in my question, not the statement. The question I asked was, would the hon. and learned member read the Bill?

Mr. Lewis: I know what you asked me to do but I am going to do this instead. Now I am quoting a higher authority than myself on the point taken — the irrevocable and final termination of payment provided for under the Act the other day in Parliament.

Mr. Hollett: If the hon. Speaker will allow me. I thought you finished.

Mr. Lewis: I have not finished. I am endeavouring to answer your colleague's point, if I may. These are the words of the hon. the Prime Minister himself.

"My colleagues and I are accordingly of the opinion that parliament should be invited to take action on the commission's recommendations. It is proposed therefore to ask parliament to authorize payments as recommended by the Royal Commission but in our view the duration of the payments should be limited to five years..."

If these words are not plain I never heard any plainer.

"As both Newfoundland and Canada have recognized the difficulties involved in making projections from one selected year into the future, and it has further appeared to be quite inappropriate to endeavour to provide for a fixed amount payable annually over a period of unlimited duration, a Resolution will shortly be placed on the Order Paper asking leave to introduce a Bill to carry into effect these provisions pertaining to the Terms of Union."

Mr. Duffy: The date of that is what?

Mr. Lewis: I have not finished reading that. I am doing all right, am I not?

"The proposed payments will be unconditional and will be in final and irrevocable settlement of the provisions of Article 29 and the contractual obligations of the union consummated in 1949.

"On conclusion of the payments as of March 31st, 1962 which corresponds with the conclusion of the present five-year fiscal arrangement between Canada and the provinces, Newfoundland's position can be considered in the light of the general methods of providing financial assistance to the provinces which may be in effect at that time".

I could not do more if I were here for a week in endeavouring to clarify the position of the federal government vis-a-vis the Newfoundland Terms of Union than endorse that as the exposition of the policy of the federal government in relation thereto. It is a clear, unequivocal repudiation of the obligation to provide financial assistance for the continuance of the public services of Newfoundland, as they were found to be by

the Royal Commission as at 1957, as they are required to be provided for under Term 29 of the Terms of Union, which were entered into in 1949. That, Mr. Speaker, I submit, is a clear-cut, absolute, unequivocal repudiation and betrayal of the contractual rights and constitutional rights of Newfoundland with Canada under the Terms of Union. It is a breach of trust.

Mr. Renouf: Mr. Speaker, may I ask a very brief question: The statement my hon. and learned friend read was a statement made in the parliament of Canada by the Prime Minister — I would ask the hon. and learned member, is a statement from Hansard more powerful or more effective than the Bill itself? Is that statement in the Hansard law, or is the Bill the law of Canada?

Mr. Lewis: The Bill which we have before us is an exact implementation of the words the Prime Minister declared in March 1959.

Mr. Renouf: Where is "final and irrevocable"?

Mr. Lewis: It is here, quite implicit in this:— "There shall be paid to the province of Newfoundland out of the Consolidated Revenue Fund in respect to the fiscal years set forth in this section, additional grants as follows..."

Then it goes on to enumerate to 1962, and after that nothing.

Mr. Renouf: Where is final and irrevocable?

Mr. Lewis: Where is it? It is here.

Mr. Renouf: Read the words "final and irrevocable" there.

Mr. Lewis: I am quoting what is obvious. If it is not obvious to my hon. friend, I cannot make it so.

Mr. Renouf: Obvious? I cannot see it.

Mr. Lewis: No you cannot see. Don't blame that on me — there are none so blind as those who do not want to see.

Mr. Hollett: I ask my hon. friend if he would read what Mr. Diefenbaker said on a

certain day. Would he be good enough to read what he said on page 5992 about two-thirds down, the second column... "and let me make this clear..." I wonder if the hon. member would be good enough to read that.

Mr. Lewis: I have not got it to read. I think I quoted enough, Mr. Speaker.

Mr. Hollett: You would not like to read it?

Mr. Lewis: This Bill is quite clear. There is no argument about the Bill.

Mr. Renouf: The opinion of it — a court -

Mr. Lewis: We don't have to go to court for that. This nonsense of talking about a preamble — a preamble, as any student of law knows, a preamble to a Bill is used for the purpose of interpretation only, if it is ambiguous or there is something to be explained. This is clear-cut and absolute. The preamble is put in there merely, as I said before, for the purpose of deluding, deluding the people and giving my hon. friends on the opposite side something to talk about, to try and justify an unjustifiable position — and that applies particularly to certain representatives of ours in the federal house at Ottawa.

If ever Newfoundland, if ever Newfoundland in its checkered history was entitled to expect from its representatives in parliament, wherever they might be, that they would sail four square to the wind for right and principle, this is the time. If ever in the history of this Island it were necessary and essential that her sons should stand shoulder to shoulder in her interest, this was the time.

Government Members: Hear! Hear!

Mr. Lewis: There was never a time, Mr. Speaker, since Newfoundland was colonized, when a principle was so clear as in this particular instance. There never was a time in the history of Newfoundland when the compromising of right was less justified, when compromise was less justified because, upon the proper implementation of these terms, depend the future security of the people of this Province and the future generations to come.

And yet we have in the House of Parliament at Ottawa men who get up and attempt to justify, within the four corners of this Bill which I hold in my hand, that it was a proper implementation of that solemn contract entered into in 1949 between the people of Newfoundland and the people of Canada. I hope, Sir, that they are conscious of the perfidy of their conduct in that regard, because, for any Newfoundlander to stand on his feet in the federal house and justify this as being a fulfillment of that contract, and yet square it with his conscience is beyond me. Maybe my intelligence is too limited to see the light in that regard, but I think that God blessed me with at least normal intelligence, and I think too that mine is at least, shall I say, in line with that of the ordinary Newfoundlander. And, I know no Newfoundlander, no matter where he stands today, once reading this Bill and what it contains, will feel satisfied that justice has been done to this province. Justice has not been done, Mr. Speaker, and I don't blame as much those people responsible for the framing of this Act. They were not Newfoundlanders.

My experience of Canadians in my years in public life has been that I have never found them very sympathetic, and that applies to all parties. But, to think that even her own sons could get up on the floors of parliament, at Ottawa, and obeying orders, talk about all the monies Newfoundland received from other sources, when they knew in their own souls that the payment of these monies had nothing to do with the Terms of Union, as justification for supporting a piece of legislation that amounted to a gross betrayal of Newfoundland's rights. How men can do that and yet come here and justify their position is beyond me. But, I am not the last word. I am only voicing my own opinions. I am only an individual. There is one last court of appeal, the people of this land, who are, after all, those properly constituted and duly qualified to pass upon this legislation. Let the public of Newfoundland give the answer.

And, when the public speak, when they speak, what they say is the voice of God. Let the public of Newfoundland judge this and judge whether or not Newfoundland's rights have been protected or violated. I think, Mr. Speaker, that only one answer will come, and that will be such a clarion call

for justice and for right that it will ring from coast to coast to Canada, and will be in conformity with that motto that the Canadian people adopted in 1867 when they conceived Confederation, and said that that land and its constitution would stand for the rights of the people from sea to sea. When Newfoundland speaks, whenever it is, whether now or in four years from now, let her speak with one voice, and let her tell the Canadian parliamentarians that at least we still have independence enough down here to stand on our own feet, to justify our rights and that we will stick to that come hell or high water.
(Applause)

Hon. C. H. Ballam (Minister of Labour): Mr. Speaker, I am sure that nobody in this house today, and indeed nobody in Newfoundland today, could listen to the speech just made by my hon. colleague, the member for Harbour Main, without saying, there is a man who is dedicated to the good of the people and the good of Newfoundland. He is a legal man, and one who has served Newfoundland well all his life and has studied and worked on the Royal Commission that was set up by this province. We all know that he is a man who understands exactly what he is talking about. I am sure that the people of Newfoundland will understand, from the course of his remarks that he has, indeed as all of us previous speakers on this side of the house, in his heart the well being and the best interest of Newfoundland.

I was in this hon. house ever since Confederation. I was here before. I was here as a member of the National Convention, and supported those who thought that Confederation was the best thing for Newfoundland. I was an ardent Confederate, as were many of the people in Newfoundland, particularly on the West Coast of Newfoundland. I was a member of the first delegation who visited Ottawa, elected by the National Convention. We were elected by the National Convention to go into the Terms of Union that might be suitable to Newfoundland etc., and to which the Canadian government were prepared to respond. I spent, with the hon. the Premier and several other hon. members from the National Convention, many weary months in the hot summer of 1947 and 1948, in Ottawa going through

and going into every angle of what would be suitable and acceptable to Newfoundland from every angle. Everything, health, roads and welfare and veteran's affairs and every blessed thing you can think of, which had to be gone into before anything could be recommended that would be what we would call suitable for acceptance by the people of Newfoundland. And, one of the things written in that particular convention, that meeting — you know this Term 29 was written at the first of the delegations, the one which I attended and the one at which the hon. the Premier attended. Term 29 was written at that time, and it was written only because we could not see into the future what would be the best thing for Newfoundland. Nobody could determine, as the Term states — and I don't need to read the Term. I know it has been read from end to end of Newfoundland by everybody so that they will understand it properly. It was written and it was made —

Mr. Hollett: You could see it then as the best — Can you see it now?

Mr. Ballam: We could see then and there and everybody knew that we must have something, to which my hon. friend referred to yesterday as "the sheet anchor", something on which we could depend in the future, so that Newfoundland's position could be maintained at some given time. We knew that when the final Terms of Union were ratified by the second delegation, and which were presented to and accepted by Newfoundland, we knew that we had transitional grants in there. These were put in there to carry Newfoundland over for a certain length of time until such time as that which was laid down in Term 29 could be effected. That was the object, the aim of Term 29, and everybody in Canada and everybody in Newfoundland, I am sure, accepted that as the most sacred and most binding Term in the whole of our set-up within Confederation.

I am sure, Mr. Speaker, that we would not, by any means nor chance, have signed or agreed with these Terms of Union had not Term 29 been in there. Neither would I have agreed, neither would I have been party to the Term (I did not sign the Terms of Union but we agreed on the recommendations that were laid down by those who

did sign) never would I have thought when these were discussed and neither did anybody that the Terms would be broken. These hon. gentlemen who sat across the table from us in Ottawa, headed by that hon. and distinguished gentleman, Mr. Louis St. Laurent and all of these hon. men agreed that that Term would be there. So when the final terms were completed Term 29 was specifically written in as a safeguard to Newfoundland's future, and it was clear that Term 29 was to continue into perpetuity. It was never intended to put a safeguard in the Terms of Union only to have it thrown out, torn up and cast aside. On March 25th., when the Prime Minister of Canada made that statement regarding Term 29, I made a statement to the radio wherein I said I was ashamed that any minister of the great federal government would dare to make such a statement about what we figured was an honoured term, signed by two sovereign countries. We were not a province of Canada when these terms were signed. We were a sovereign country, and those with whom we negotiated were the representatives, the ministers, of that great sovereign country, Canada. We are not sorry we had Confederation with Canada. Newfoundland has done well, and we never thought we would see the day when a pact, a contract, a term signed between the sovereign countries would be torn up and cast aside by one party only, and not with the agreement of both signing parties. Mr. Speaker, I am not going to go into all of the things that led to this. I am sure that there will be many speakers after me. One of the members mentioned there were strained relations between the Prime Minister of Canada and Newfoundland. We don't see how many strained relations could give any government the legal right to tear up a contract, regardless of how strained they were. There is only one alternative to tearing up a contract, unless it is done by agreement between the two parties, that is go to war, start to fight. We in Newfoundland don't intend to do that. We intend fighting the denial of what we deem a sovereign right, i.e. Term 29. We intend to fight that down to the last ditch, and I think it is the right and duty of every Newfoundlander to see to it that a binding and legal and a moral obligation, written into a contract between two sovereign countries, is maintained and

respected. And, as long as I am here I will defend what I thought was written into the contract, until the day that I am finished, until the day that I die, if necessary. I think it is every Newfoundlander's right to see to it that the hon. contract, that hon. representation made by two sovereign countries should be respected and upheld. And until such a day as this is brought back and Term 29 is put back into its proper perspective we will continue to fight, and right down to the last ditch. Therefore, Mr. Speaker, I with my associates and those who have the courage of their convictions will support this Resolution. We will support and we will carry it to the people, if necessary and carry it back to Canada. We will carry it anyway as long as we have enough ability, enough opportunity to see the legal and sovereign rights of this country of ours, which we love, are maintained and respected.
(Applause)

Hon. E. S. Spencer (Minister of Finance): Mr. Speaker, it appears that practically every phase of this debate has been covered. I hold in my hand the Resolution proposed by the hon. the Premier, but before dealing with or making a few remarks (I propose to make my time limited because of the fact there are other and stronger speakers than I to follow). I want to say how much I appreciate the comments of my colleagues who have gone before me in this matter. I was particularly thrilled with the comments of my colleagues, the hon. Minister for Provincial Affairs (Mr. Murray) in his address yesterday, then followed by the hon. Minister of Fisheries (Mr. Cheeseman) in his very sincere and outstanding remarks, to be followed by our legal strong man, if I may be permitted to say so. I have a very high regard for the hon. Minister without Portfolio (Mr. Lewis). The manner and sincerity in which he has dealt with that matter leaves little for me to say. I merely want to refer to the Resolution, and at the outset to assure this house and Newfoundland and all Canada, if I may, that I support this Resolution with every fibre of my being. I have given it a great deal of thought, Mr. Speaker.
It has been my privilege to attend several of the so-called federal-provincial and other types of conferences on the mainland. I have sat in councils with people from whom

we are now asked to accept "fair" treatment. I have seen some of that "fair" treatment. I need only refer to the attitude of some of the speakers in the House of Commons recently, when they wanted to show, in order to back up their argument, that Newfoundland has received hundreds of millions of dollars. And, they referred to the family allowances — I am not going to yield, Mr. Speaker — I have become sick and tired of that man jumping up over there, like a jack-in-the-box this afternoon — I have no intention of yielding, none whatever. The hon. gentleman had an opportunity to speak. He has spoken and I am going to speak. I did not interrupt him and do not intend to have him interrupt me.

Mr. Hollett: Hear! Hear! "Jack-in-the-box".

Mr. Spencer: Mr. Speaker, I sat -

Mr. Speaker: Order! The hon. member will continue.

Mr. Spencer: Mr. Speaker, I want to refer to the comments of a speaker, representing Ontario in the House of Commons, recently, where he began to point out (with regard to the Atlantic Provinces) that aid was granted a few years ago — to show how generous Canada had been to Newfoundland. And he referred to the fact that had we gotten the share that was our just right, in proportion to the population of Nova Scotia, instead of the \$7.5 million that we did, we would have received something of the order of \$4 million. But the house, Mr. Speaker, will note, and Newfoundland will note, and Canada will note that he stopped at that point and did not refer to the little province of Prince Edward Island. Now, here let me say that I have the utmost regard for that Province, and there is no harm whatever in saying that Prince Edward Island should perhaps get even more than it did. But when that hon. gentleman referred to our population he said that we should receive \$4 million or so. By a peculiar coincidence, if he were to take the same basis and show the population of Prince Edward Island (about 90,000 compared to over 450,000) one-fifth of our people. They received \$2.5 million out of that Atlantic Provinces Grant. Then, Mr. Speaker, on that

basis we should have gotten \$12.5 million. That is something that the hon. gentleman did not attempt to say. Why? Because he had a reason for stopping.

Now I want to go on — I am going on don't you worry, for the length of time I can here. You are not going to stop me by your "Tory Hatred" from that position. I have seen your colleague and listened to, and heard you, and sat in the councils of another conference with the hon. the Prime Minister and Minister of Finance present, and their comment was exactly the same when reference was made to Newfoundland and the generous terms in which Canada was dealing with Newfoundland. I sat in the federal-provincial conference when the reference was made to my hon. colleague here. There is no doubt whatever if these hon. gentlemen — the hon. Leader of the Opposition, for whom I am glad to say I still entertain a great deal of respect despite the fact I called him a "Jack-in-the-box" a few minutes ago. It might have been a legal term, yes. At that time, Mr. Speaker, there was definitely an idea to cut off the Atlantic Provinces grant to three provinces.

Mr. Hollett: Not at all!

Mr. Spencer: Oh yes. I sat there, you did not, and I know. It just so happened the hon. the Premier was present. My learned colleague referred to that — and he made his customary address and appeal on behalf of Newfoundland. Here I want to say in all fairness, in that case, the hon. John Diefenbaker, knowing the thing correct and accurate, immediately stood up and accepted that position that Newfoundland had to share in that Grant, and its rights under Term 29 of the Terms of Union had no bearing whatsoever on this Atlantic Provinces Grant. He did not in any sense interfere with it. I am giving him full merit for that, full credit. But I go on to this other place where he took mighty care to say we should have gotten about \$4 millions and we gave you \$7 million.

Mr. Hollett: Who said it?

Mr. Spencer: The hon. John Diefenbaker said it. Don't worry, he said it. I am not a fool. He said it in my presence. I don't make statements unfounded either. I am making

my statement. I merely say, Mr. Speaker, this is the kind of treatment we have been getting from these people. I will cite another case: Everybody knows that the recommendation of the McNair Commission should have been put into effect two and a-half years ago. Everybody knows that. Yes, they were delayed! Was it Newfoundland's fault? Was it the fault of the department of Finance in this province? Why were they delayed? They were delayed because somebody was trying to find a way to minimize the grant to Newfoundland, as recommended by the McNair Commission. And, when that finally did come, in two and a-half years, the world, I suppose certainly Canada, certainly Newfoundland and Canada and possibly all of North America and other sections of the world knew that we in this Province, like every body else, had to pay bills and meet the ordinary expenses, routine expenses. And when these monies were not forthcoming, withheld from us for some reason or other, we don't know why, but withheld, we had to seek recourse to the banks and elsewhere to get necessary funds to carry on these things, and it cost the individual Newfoundlander, every mother's son of us from the smallest child to the oldest, at least \$1.50 to pay the interest on that money, well over \$600,000 to pay interest on that money. If there was any fairness in the minds of these people who recently finally decided they would pay Newfoundland her part for 1957, 1958 and now half of 1959, if there was any fairness whatever, Mr. Speaker, they would have submitted to us the interest in addition to the capital payment sum which they had to send along. Did they do that? No, not at all. They just did Newfoundland, up to now, out of over \$600,000. Oh yes, my deputy will take care to call their attention to that fact, and if they are fair, my friends on the opposite sides are banging away trying to show us what we are getting in the way of fair play. If they have that fair attitude I sincerely trust they come forward with that \$600,000 as well.

Mr. Speaker, I am not going to go into all the details. I have not been taking too much part in the various debates. I feel the functions of my office keeps me busy enough, and I have said enough on the floors of this house for everyone to know I am here. So I am not taking up too much time with debates of this house. I have prepared notes. I

have not looked at them. But I have the Resolution here and I know what the "Jack-in-the-box" said about that. I have down here where he took it up yesterday and read it, in his address: — Paragraph (1) and (2) he agreed with, and Paragraph (3), but could not support the Resolution because it made some reference to the Terms of Union, which were negotiated and signed by Canada and Newfoundland. He could not support that, and he could not support the next one. Then he supported another one. I know what happened about this Resolution, Mr. Speaker, I want to say this — I will take just the time I feel I can get along with here — in justice to those who follow me I want to say this: Having gathered every shred of evidence from Hansard — and I can manage to read, Thanks be to God! I am no Rhodes Scholar but can manage to read. I may not understand all I read. I was told that here one time by somebody, that if I read it I would not understand it. Perhaps that is true when couched in legal phraseology, but I can read and understand — and I have read every single word of that debate — Don't worry — I won't be drowned out — All right, speak loud enough to knock me down.

Mr. Speaker: Order!

Mr. Spencer: I saw those Terms of Union torn to shreds, torn up, every shred of the "sheet anchor", and cut adrift — That is a marine term — cut the anchor adrift. That is what happened — torn to shreds by people who were not at all trying to be fair to Newfoundland. I have seen these Terms dealt with, and I have sat in on consultations, and because of that, Mr. Speaker, I am not prepared to throw over the substance for the shadow. I am not prepared to let the Terms of Union be simply torn up and thrown away in order to accept a promise by somebody whose faithfulness I am not too sure of. I go further: When I stood by the matter of Confederation — and I am one of those, I am happy to say, who worked for it very zealously, and was proud it was brought about. I have met some of the people across the Nation of Canada and am very proud to know many of them, and am proud to know that many of them are not very satisfied at all with this rotten deal we have received from the Diefenbaker gov-

ernment. A few weeks ago we had the Canadian Manufacturers Association down here. Can anyone, for one moment, Mr. Speaker, suppose those people do not appreciate in full measure, in full terms, the fact that, by our entering into union with Canada, they are selling us \$250 million worth of goods compared to \$50 millions prior to union? Does not that create good will? We have the good will of these people. Let us maintain it.

This effort at tearing up our Terms, this tearing to shreds by a "tearer-upper" like Donald Fleming — in here in this book I only read this morning a reference to what he was going to strip something, and somebody had said — "a bit of a stripper-upper". I sat in council with him and know something about his "stripper-upperness", I know he tried to strip up this Term of Union, as far as we are concerned. And, Mr. Speaker, that is one of the reasons why I am still more than proud to be a Confederate, because I thought that "sheet anchor" (as it has been very well called, and I think is a good term) was such that our security was assured. I agree with one comment, at least, of the hon. Leader of the Opposition — We did not want, we never did want, and nobody in Newfoundland ever asked for things to be bound down as permanent and final, to a sum of \$1, \$2, \$3, or \$20 million. Like the hon. gentleman said, common sense dictates, costs vary, rarely going down but the other way about, and to maintain our services we know a review must come again. We asked for that in these consultations I referred to. We asked for it: What is the answer we got? Ignored! Ignored! Absolutely ignored.

Then we come down to the policy as announced by the hon. the Prime Minister of Canada in March when he said — "You will get this, and this will be final and irrevocable as far as Term 29 is concerned, at the end of March 31st, 1962." Mr. Speaker, that is why I am supporting this Resolution. I am not satisfied by that cut-off, or saw-off, as my hon. colleague said. To that end, I close my remarks by wishing, when the time comes, that the fairness, that we have been told something about, may probably and possibly be shown in the hearts and minds and wills of those who will have to deal with it. Until such time, as far as I am concerned, I am going to do anything I can to prevent, as

long as I can stand, like my hon. colleague, I am not satisfied to have this Term 29 cut out and thrown out because the hon. John Diefenbaker, Mr. Fleming, and some others in the Tory Government at Ottawa think it should be cut out. In all sincerity I say to my friends across Newfoundland and across Canada, this Term 29 is ours. It is the Terms of Union. That is why we are in the Union. That is why the Terms were signed, and until implemented in full measure, in full measure, we will fight to the last ditch — God Guard Thee, Newfoundland!

Mr. Hollett: Mr. Speaker, may I suggest that we get out of this box for 10 minutes.

Mr. A. Mifflin (Trinity North): Mr. Speaker, I propose to speak next on this Resolution, and if convenient to the House, ask for 10 minutes recess.

The house recessed for 10 minutes, after which Mr. Speaker returned to the Chair:

Mr. Speaker: The hon. member for Trinity North has the floor.

Mr. Mifflin: Mr. Speaker, I rise to give my full support to the Resolution moved by the hon. the Premier. During the course of this debate, Mr. Speaker, much has been said and a great deal has been made of the fact that the recommendations of the Royal Commission under Term 29 are not legally binding upon the Parliament of Canada. I say that is true to the extent that the government of Newfoundland cannot force the Parliament of Canada to pass a law to implement the terms of the Royal Commission, about that nothing could be clearer. In what respect, therefore, do we, as ordinary individuals and not lawyers, who are trying to assess a technical position, deem that the government of Canada is bound by the terms and the recommendations of the Royal Commission founded under that Term? Surely the only matter in which the Parliament of Canada is bound is it is bound in honour. If the Parliament of Canada won't say it is bound, which it has said, then we can only take the position that the Parliament of Canada is not hon. enough to implement the terms of union.

What, Mr. Speaker, has the government of Canada done to Term 29? In my opinion the answer is quite simple. They have said

that after 1962 there will be no further payments under Term 29. In other words, Term 29 is cut completely out of the Constitution. It is just the same as if they took a pair of scissors and went to the book in which it is printed, and cut it out completely after 1962 and threw it in a waste paper basket.

Mr. Hollett: Is that a legal interpretation?

Mr. Mifflin: Yes, certainly.

Mr. Renouf: A judicial one?

Mr. Mifflin: I am not saying it is judicial, and the honourable members know it is not in fact. It is factual nevertheless. And, I say Term 29 is gone and gone forever as far as the present Parliament of Canada is concerned.

Mr. Hollett: I hope not.

Mr. Mifflin: We all hope not. But there are other parliaments to follow. I do not believe for one moment the ordinary person in Canada is prepared to see our rights under the Constitution thrown out, and I can say now that I know quite a lot of people. I had the good fortune to go to school in Canada, and that before union of Newfoundland with Canada, and I can say the people I associated with there were hon. men, and I know they will bring that same honour to bear when the time comes to do it. I say the Parliament of Canada changed a pact made between two countries without having the common decency to ask one party to that contract for its consent. I say that the government of Canada, Mr. Speaker, has ridden rough shod over the constitutional rights of Newfoundland, have given the kiss of death to the Constitution in respect to Term 29.

Much has been said in order to try and justify this unjustifiable position, from my point of view. We have the Preamble to an Act introduced quite recently and passed in the Parliament of Canada, with a short title — "This Act may be cited as the Newfoundland Additional Grants Act". The position of the government of Canada has been taken by some people to be justified under this Act. The Preamble to this Act is like the Preamble to any other Act, so far as I know

the law. And I think what I say now about the law with respect to the preamble to an Act is in complete keeping with the lecture delivered here by the hon. Leader of the Opposition the other day to us who unfortunately did not have an opportunity to know a Preamble to an Act is there for the sole purpose of explaining the operative provisions of an Act. It is there for use only to explain ambiguity. Of course, if there is no ambiguity there is no necessity for anybody to resort to a Preamble.

Now, can anybody tell me that Section I of this Bill, just naming the title to the Act — I think that is clear — I don't think anybody needs to argue about that, nor about this one: "This Act may be cited as the Newfoundland Additional Grants Act" — how in Heaven's name could anybody go into court and argue about that and get anywhere? Section 2 states specifically the amounts which are to be received by Newfoundland as additional grants. That is stated like this: "There shall be paid to the province of Newfoundland out of the Consolidated Revenue Fund in respect of the fiscal years set forth in this section additional grants as follows: "Fiscal year 1957-58, \$6,600,000; Fiscal year 1958-59, \$6,950,000; Fiscal year 1959-60, \$7,300,000; Fiscal year 1960-61, \$7,650,000; Fiscal year 1961-62, \$8,000,000". Now, could anything be clearer? Is there any argument about it? Is there any ambiguity in the section? I cannot see it. Therefore, we do not have to go to the Preamble to interpret that section. Section 3 is the one dealing with the time of payment. — "The grants payable under this Act in respect of the fiscal year 1957-58 and 1958-59 shall be paid immediately upon the coming into force of this Act, and shall be recorded in the Accounts of Canada as transactions for the 1958-59 fiscal year". I can see no ambiguity there. So, what is the purpose of the preamble?

Now, Sir, sub-section 2: "One-half of the grant payable under this Act in respect of the fiscal year 1959-60 shall be paid immediately upon the coming into force of this Act, and the balance thereof on the 1st. day of January, 1960, and the grant payable under this Act in respect of a subsequent fiscal year shall be paid as follows, namely, one-half thereof on the 1st. day of July next following the beginning of the fiscal year

and the balance thereof on the 1st day of January next thereafter". What, I ask, Mr. Speaker, is ambiguous about that? I see nothing. What, I ask, Mr. Speaker, is ambiguous about that? I see nothing. I see no reason why we should pull a Preamble in aid of interpreting it. Now that is the end of the Act. That is where it finishes. Therefore we say, why are these beautifully sounding phrases put in the Preamble? Quite frankly, to me it sounds like the words used in the comic opera "Micado". As a matter of fact, I might go further and say it is almost an attempt to give plausibility to inequity, an attempt to justify a wrong.

Mr. Renouf: Would my learned and hon. friend answer me one question? The hon. Leader of the Opposition has quoted sections of the Interpretation Chapter of the Revised Statutes of Canada, saying the preamble of every Act is deemed a part thereof — Would the hon. and learned member state whether he is familiar with that?

Mr. Mifflin: Yes, quite familiar with that. Mr. Speaker, it is merely a codification of the common law, interpretation of statutes found anywhere. The Preamble of an Act is only good so far as it assists in interpretation. As I am now saying, they did not need to have a Preamble to assist in the interpretation of any clause there. There is nothing, not one iota in the Act that needs any guidance for interpretation, and personally, I don't think any lawyer can get up and say otherwise. It seems to me the Opposition is now trying to assert a very technical position, a complete and absolutely untenable position.

Mr. Hollett: Remember some of the Preambles to some of the Acts brought in by this government here.

Mr. Mifflin: Any Preambles I have seen in any Act are to assist when any doubt arises about any section.

Mr. Hollett: You need that assistance, don't forget.

Mr. Mifflin: There is no operative force. It is only needed when there is doubt about a section. Can anybody tell me there is doubt

about it there? There is no doubt, absolutely no doubt about it — final and irrevocable payment". I have read the Preamble and I have said that, in law, you cannot enforce the Preamble. I should not like to go into court and incur the rights, benefits or anything else under this Act. I am afraid it would be thrown out so fast. Before ever bringing the case before court, at the preliminary point, they would throw us out. It says nothing about Term 29 in the Preamble. We are supposed to imply, to sort of feel there is something in this, it is a wonderful thing, to feel we are going to get something when already denied it under the Constitution itself. I will read it.

"Whereas since the report of the Royal Commission was made, the government of Canada has proposed a comprehensive study of Dominion-Provincial financial relations in co-operation with the provinces, and all the provinces have agreed to participate therein; and

"Whereas in the course of such a review any special circumstances relating to the financial position of the Province of Newfoundland after the 31st. day of March, 1962, would be taken into consideration; and

"Whereas pursuant to the recommendations made by the Royal Commission established in fulfillment of the obligation of the Government of Canada under the said Term 29, it is now desirable to enact a measure to provide for additional grants to the Province of Newfoundland;

"Now, therefore, Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

"IN fulfillment", it says — "In fulfillment".

Now, if the Government of Canada want to put on record as doing the right thing, why not put section 4 down there, that in 1962 there will be a review under Term 29? I am quite sure the government of Newfoundland would be very happy to consider that position.

Mr. Hollett: In addition, you have the Prime Minister's guarantee.

Mr. Mifflin: And, the Prime Minister's guarantee cannot be brought into court and

made into law. Mr. Speaker, I repeat, quite distinctly, we cannot, and Newfoundland cannot, and Newfoundland will not, take John Diefenbaker's word any more.

Mr. Hollett: Ridiculous.

Premier Smallwood: We will see if it is ridiculous. We will see. We will all see.

Mr. Hollett: You will see.

Mr. Mifflin: If the government of Canada wanted to give rights under Term 29 to the government of Newfoundland would they not put in Section 4? It would not kill them. They might be eating too much crow though, but it would be no trouble to put in a Section 4 there guaranteeing a review under Term 29.

Mr. Renouf: Term 29 is special?

Mr. Mifflin: I should think so. Is the hon. gentleman saying Term 29 is not special? It is part of the Constitution of Canada. It is not a Bill with a Preamble in it. Perhaps the hon. member would like to argue that it is put there, I assume, for some minister who would like to read the Bill and say—"This is what it is". That is about the size of it. Perhaps that is why that extra note is there.

Mr. Hollett: It involves certain suggestions, does it?

Mr. Mifflin: Yes indeed — If they had stuck to Term 29 and put it in there it would have been alright. There is no doubt, and nobody can tell me otherwise that, under this Act itself, payments cease in 1962, and that is the end.

Mr. Hollett: Seems like the hon. member would be happy when it does cease.

Mr. Mifflin: I repeat, Mr. Speaker, that in my opinion, our rights under the Constitution, the British North America Act, have been thrown out by the Government of Canada, disallowed. And you will hear this again and again, and many people will hear it again and again; until our position is fully restored you will be hearing it, you will probably be dreaming it. But even though our rights have been written off like this, we

feel quite honestly that Term 29, for the time being only, may be lost but there is one thing that is not lost, and that is the unconquerable will of Newfoundlanders and their courage never to submit or yield under this state of affairs, and what is more, not to be overcome.
(Applause).

Hon. Dr. F. W. Rowe (Minister of Highways): Mr. Speaker, I rise to support the Resolution. Before I go into my argument I want to express my congratulations to the two hon. gentlemen, the members for St. John's Centre (Mr. Duffy) and St. John's East (Mr. Higgins) respectively, who had the courage of their convictions as Newfoundlanders to stand up and take a stand in defence of their native land, in defence of injustice, injustice which has been perpetrated in a most vicious and malicious way. I use these words deliberately—a vicious and malicious way by the haters of the Newfoundland government and in particular by haters of the Premier of Newfoundland. I am not a lawyer, as this house knows, and I don't intend to go into any legal technicalities, associated either with Term 29 or with the Bill, or the legislation which was recently passed in the House of Parliament in Ottawa. To me, the issue is very simple. Term 29 is very simple. Basically it is the legal and moral agreement between two sovereign powers, and we entered union with Canada with the full understanding that Term 29 would be implemented, not merely in a legal and technical sense, but with good will and generosity.

Mr. Speaker, I am going for a moment to take a few personal references. Some years ago, when the gentleman who is now the Premier of Newfoundland undertook to launch a campaign whereby Newfoundland would join with Canada, within a week, I think, of the launching of that campaign I came out publicly and supported him. Now I had only spoken to him once before in my life. I supported that cause. I supported it undeviatingly throughout the various campaigns, and subsequently I endeavoured, as lay best in me, to make that union a success. I want to say as a preamble that I have not lost my confidence in that union. I have no regrets for the roll that I played. I believe that the union has been a success, and I believe that union will be a success in spite of

the efforts that have been made to nullify the real effect of that union. I believe that the people of Canada, the vast majority of the people of Canada, having nothing but good will toward Newfoundland. I believe that the people of Canada, high and low, have been shocked in recent months, shocked to their innermost being, by the treatment which has been given this province by the government of Canada. That is not an idle opinion. I have talked with hundreds and thousands of Canadians in all walks of life, in the last six months, and I have not met one yet who attempted to justify the actions of Diefenbaker and his government, not one, and not only with respect to Term 29 but with respect to other matters as well, particularly Newfoundland's great trouble a few months ago, when once again, Diefenbaker tore up, tore up callously, tore up a solemn agreement between Newfoundland and Canada. I say now, had it been the province of Ontario instead of the province of Newfoundland he would never have dared to do it.

Mr. Renouf: What contract?

Mr. Rowe: I am speaking of the police, and using it as an analogy of what he has done in recent weeks. Had that been Ontario or Quebec he would never have done it. It was one of the most cowardly actions ever taken by a Canadian statesman, and I know the history of Canadian statesmen from MacDonald down. There is no precedent in the record for it. The Prime Minister of Canada, in a most cowardly way, took advantage of what he considered to be Newfoundland's defenceless position and tore up a contract, and I regret to say, aided and abetted in it by a man sent to Ottawa from Newfoundland, by a man sent up there pleading his word—

Mr. Renouf: Has the court said?

Mr. Rowe: You are not going to throw me off balance by these questions. You don't want to hear these things, I know. You don't want to hear it, don't like it. I deal with what the people of Newfoundland believe. This man was sent to Ottawa to defend Newfoundland's interest, and I say now he was motivated by, actuated by one thing and one thing only, his hatred of Smallwood,

and not by any desire to defend Newfoundland. How else can you explain what he has done? His attitude during that hour of agony last January and February, our hour of agony when Newfoundland had its back to the wall, what was he doing? He was writing letters then, trying to destroy a respected body, a corporation which was set up down there. That was his action at that time.

Mr. Hollett: Why not speak to the motion?

Mr. Renouf: This motion, now building up emotion and excitement.

Mr. Rowe: We know something of it, and there is not one Newfoundlander outside this house today, and I doubt there is one who would really believe that man was actuated by anything but a desire to hate, and Newfoundland has to pay the penalty — at least he thinks we have to, but we are not going to do it. This is not the first time, Mr. Speaker, Newfoundland has had to stand up to big and powerful interests. Newfoundland, as I said here on previous occasions in this house, on several occasions, and Newfoundland with 100,000 people here, had to stand up to the most powerful government in the world, the great British parliament itself, and defy that parliament on the notable occasion when the British House of Commons and the British government attempted to give away to France the entire west coast of Newfoundland and the great area now known as White Bay. And, the Newfoundland people, 100,000 strong, most of them ignorant and illiterate, but all actuated by a sincere love for their land, all independent and free, stood up to that nation of 30 million and that most powerful government — and Newfoundland won its case. And I have heard it said now, almost implied here, that we should not dare to be standing up to the Prime Minister of Canada nor the Canadian parliament. I say now, and I predict, that Newfoundland will win this case. We will win it with the Canadian people. The most respected political commentator in all Canada a few weeks ago made a statement which must have come as a surprise to many people here in Newfoundland. He said that the decline in the popularity of Diefenbaker and his government in the great province of Quebec, a

popularity which was stated at 56% a year ago, and which is now down to 41%; was by and large the result of Diefenbaker's treatment of Newfoundland. And that is spreading across Canada and it will spread across Canada more and more. I affirm now my faith in the Canadian people.

I want now for a moment, Mr. Speaker, to go back to the union of Newfoundland and Canada. It has been said very often that we did not join Canada as a supplicant, as beggars. We joined Canada as an equal partner. We gave much to Canada. It was pointed out here this afternoon we gave Canada \$200 million of trade, most of which formerly went to the United States and the Old Country. We gave Canada the right to the strategic position on the great North American Continent; the great Gander Airport, the most important in the world. We confirmed Canada's equity in Goose Airport and other great strategic areas of Newfoundland and Labrador. We gave Canada vast resources of timber, and vast resources of water power, and the greatest and most important fisheries in the world. We enlarged Canada's wealth. We enlarged her prestige in world affairs. If return for all that we were given certain things, most of which are well known. And one of those things we were given was Term 29. And that Term 29 is just as permanent, and was meant to be just as permanent and perpetual, as the CNR Railway across the Canadian Rockies.

Mr. Hollett: So it is.

Mr. Rowe: Term 29 is not and my honourable friend knows it is not, and if he does not there are only two persons in Newfoundland who do not, himself and his colleagues, and apparently his two friends who are supposed to represent Newfoundland in Ottawa. I have not heard of another Newfoundlander who thinks we were given justice, not one; and I have hundreds of friends, belonging to the Tory and other parties, certainly non-political, and I have not yet, to this moment, heard one who believed we had justice any more than I met one who thinks we are properly represented in Ottawa by the man sent there. My hon. friend had all kinds of time to make a speech yesterday. I would like also, Mr. Speaker, to refer to the "red herring" which

have been drawn across this issue. We have heard talk — as a matter of fact, the man we sent to Ottawa to represent us, we did not send him up there to be a Smallwood hater. We do know, there is one thing I learned in this house for five years, looking across at him, he was implacably, implacably a hater of Smallwood and everything that Smallwood did. But, we did not send him and the people of Newfoundland did not send him to Ottawa to do that but thought he would represent us. We did not send him up there to put on that disgraceful performance, to lecture the House of Commons and the people of Canada on how generous Canada was to Newfoundland.

That is one of the "red herrings". What has Canada's generosity to Newfoundland, as revealed in the general contributions of the government of Canada to the 10 provinces, what has that to do with Term 29? Not a thing in the world. It has nothing to do with it, precisely nothing. Unemployment insurance, old age pensions and family allowances have nothing at all to do with Term 29. Term 29 is part of our Constitution. The essential aspect of Term 29, Mr. Speaker, is that it was meant to be a permanent constitution obligation. Now there again I have talked with people instrumental, on both sides, Ottawa and here, in drawing up the Terms of union. There is nobody who believes that it was meant to be a constitutional obligation on the part of Canada.

I said earlier, Mr. Speaker, there were some things absent in Ottawa at the time these and other issues had been considered. One of these things was the complete absence of representation. We did not have the representation on the government side in Ottawa, we just did not have it. And I regret, and indeed I sympathize with that gentleman who was elected by the people of St. John's East (Mr. McGrath) and had, I believe, a very promising career. I sympathize with him over the fact that, in his immaturity, he has allowed himself to be deprived of the opportunity really to serve Newfoundland. Mr. Speaker, if we in Newfoundland, if the people of Newfoundland stand solid on this issue, if we let the Canadian people know how we stand, how we feel, if we let the Canadian people understand, if we make them understand what is involved (and many of them do not, to this moment,

many talk of the \$17 million and think that is very generous) — if we in Newfoundland make sure that the rest of Canada knows and understands our case we will win this fight.

As a Newfoundlander, as one who has been here many, many years, whose people have been here since 1600, as one who has tried in some small way to make a contribution to this land of mine and my children and my people, I denounce Diefenbaker, I denounce Diefenbaker for his unmoral conduct towards Newfoundland, I denounce the government that that supported him in this, I denounce our federal representatives who did not stand up and defend Newfoundland, either on this issue or on the other issue. They did not do it. They failed Newfoundland, they failed the people who sent them there; and I denounce anybody who does not stand up and fight on this issue.

Mr. Hollett: Thank you for your denunciation!

Hon. W. J. Keough (Minister of Mines and Resources): Mr. Speaker, I am one of the three persons who are still members of this house who voted in the National Convention to let the people of Newfoundland decide for themselves, by way of a referendum, whether they wished to join in Confederation with Canada. Notwithstanding the sorry events of the past few months I can still say that I have never regretted what I did then, but I must admit that for a short while on Spy Wednesday of this year I had to pause and ask myself whether all that I had stood for for 12 years had been in vain, whether indeed Confederation itself had been worth the effort. For on that day a man, who had been one of the nobodies in particular, sitting in the Opposition benches in 1949 but who had in the meantime become the Prime Minister of Canada, on that day that man set all of our hopes here in Newfoundland at nought, and in doing so he brought great dishonour to the Canadian Nation. And, on Monday of last week the Prime Minister had his man, the Minister of Finance, introduce legislation into the Commons to give effect to the proposal that the Prime Minister made in March, and right now out of the whole sorry spectacle of Canada's loss of honour, only this consola-

tion appears that Diefenbaker too will pass away and Newfoundland will get justice after he has gone.

Mr. Speaker, on March 31st of this year we who live in this province came to the end of a decade. It was a decade that will forever be marked in italics in our memory, our first decade as a province of the Canadian Nation. Without any doubt, it was the most remarkable decade in all of Newfoundland's long story. Some impossible things came to pass in that time, and taking the good with the bad, the greater good of the common good was wrought indeed. The decade was so full of so many things that it was too full, and when we came to the end of it we had our surfeit of great historic events. History was made so rapidly during these 10 years that we hardly had time to draw a good, deep breath between the crises and the climaxes. And, as the decade came to an end even as it began with a roll of thunder and with the whirlwind ramping, there were some things that had come of Confederation that gave cause for great satisfaction, and there were some things that occasioned the thought that it would be a happy thing if the Canadian people were to grow up. After all, Canada is getting to be a big girl in the world now! Until this year one of the things that gave cause for satisfaction was the fact that Newfoundlanders were no longer fighting the battle of Confederation. Candidly I had not expected to see the battle ended, to see the banners furl in my own time. I had not expected to see the hard feelings end, to see the old bitterness die away in my own generation. Apparently I underestimated the maturity of the Newfoundland people, for within one short decade they had made the great adjustment, and were ready to integrate into the pattern of Canadian life.

Then on Spy Wednesday of this year the "Great Omnipotence" that presided at Ottawa decided to play footsie-footsie with the Constitution of Canada. I remember that I sat that evening at my radio, with an old friend, to hear the statement that the Prime Minister had made in the Commons that afternoon. This old friend was an arch-Confederate from away back and beyond. I remember, we heard the Prime Minister's statement through in silence and then my old friend turned to me and said: "How soon can we get out of this damn Union?"

That mind you, from a man who had been an ardent Confederate from away back and beyond. And, the very next day, Holy Thursday, the students of the Memorial University held a demonstration parade, the first of its kind, I believe, ever held in Newfoundland — and on the banners they carried appeared the word — “Secede”. And, suddenly all the great effort and all the great hopes and expectations of 10 years seemed to turn to dust and ashes in our mouths.

Now, all these things notwithstanding, I still think that the act of Confederation was right. However, those of us who argued the case for Confederation, and indeed all Newfoundlanders had supposed that, because of the very special contribution by way of population, strategic territory and natural resources that we brought into our union with Canada, we had all supposed that some very special and out of the ordinary effort would be made to enable us to raise our levels and standards to those of our sister provinces. Indeed, if we had been convinced otherwise there would have been no Confederation. Instead we have been treated as the poor white trash province. Two Liberal administrators did precious little more than what the letter of the law called for, and the present administration has apparently come to the conclusion that they need pay no heed at all to some of the basic rights of what are apparently the second class citizens who live in this province. In that regard I certainly concur with the opinion expressed by the Premier when he introduced this resolution, an opinion which I am prepared to be somewhat more blunt about. I suggest, Mr. Speaker, that out of vengeance (and I think “vengeance” is the proper word) the Parliament of Canada has decided to set aside the Constitution of Canada in respect to Term 29. I suggest, Mr. Speaker, that the proposal made by the Prime Minister in March and the legislation introduced in the House of Commons last week were acts of vengeance. All of the provinces, including the great rebel Quebec, toed the line in March 1958 and voted for John Diefenbaker, all except Newfoundland. And now the consequences are being visited upon us. How can that man proceed in the House of Commons with a Bill of Rights with two violated Constitutions to

account for? To me, Mr. Speaker, what we Canadians need in this historic hour is a second “Runnymede” to protect us from this other John. It seems to me, Mr. Speaker, that what we Canadians need in this historic hour is another champion to put this second King in his place. And, Mr. Speaker, I dip into our history to find the exact phrase which I think puts precisely our revised opinion of the great Prime Minister of Canada and all his works — this way be stealing the thunder from our Tory past but I find the phrase too apt to let it go — as far as Newfoundland is concerned, Mr. Speaker, Diefenbaker’s days is done.

In view of what I have said, Mr. Speaker, I think it would be unnecessary to add, I support the resolution.
(Applause).

Hon. L. R. Curtis (Attorney General): I move the adjournment of the debate.
On motion debate adjourned.

Premier Smallwood: Mr. Speaker, there being no other business to come before the house today, I move that, at its rising the house do adjourn until tomorrow, Monday, at three o’clock. If I may be allowed, I would like to express the hope that by six o’clock on Monday we can have finished the debate we are on, whereupon the house could rise until eight o’clock Monday evening, and on resuming at six o’clock, I would attempt to close the debate with my rebuttal speech, and that by nine o’clock Monday night the vote could be taken, and then, depending on the result of the vote, which I still hope to the very end will be unanimous in favour of this resolution, but following the vote whatever it be, unanimous or not, I hope to be in a position to make a statement of considerable importance on this question.
On motion the house adjourned until Monday, at three o’clock.

Monday, July 27, 1959

Afternoon Session

The house met at three o’clock.

Mr. Speaker in the Chair.

ORDERS OF THE DAY:

ELECTION CALL?

Hon. M.M. Hollett (Leader of the Opposition): Mr. Speaker, on the Orders of the Day, I wonder if I might be permitted to ask the hon. the Premier if it has been drawn to his attention, the article which appeared on the front page of the "Daily News" relative to an election. "A Provincial General Election will be held in Newfoundland during the week of August 17."

Hon. J.R. Smallwood (Premier): No. I fear this was one day I was just too busy to read the newspaper, so I have not had the pleasure of reading the "Daily News" of today's date. Yes, it is in my office, on my desk, and when I get an opportunity to read it I shall do so. I am sorry. My hon. friend would not want me to comment on something I have not read.

Mr. Hollett: Further to that point, Mr. Speaker, may I ask the hon. the Premier just how long it is that the Perlines have run the policy of the Liberal Party?

Mr. Speaker: I don't think that question is in order. I don't think the Premier could be expected to answer that question.

Mr. Hollett: Well, we would like to know.

TERM 29:

Mr. Speaker: Adjourned debate on Resolution re Term 29: The hon. the Attorney General adjourned the debate at the last sitting and has the floor.

Hon L.R. Curtis (Attorney General): Mr. Speaker, I rise for the purpose of supporting the Resolution so ably moved in this chamber a few days ago by my leader and the leader of the government in this house. I am very happy to be able to do so. I would like to take advantage of this opportunity to address a few remarks to the subject matter of this Resolution. Let us proceed, in view of the fact that it is two days since we have met here, to chronologically run over the situation until it has reached its present state. You will remember, Mr. Speaker, when the Terms of Union were signed, it was made clear to everyone that it would be impossi-

ble, as at that date, 1949, to say just what financial assistance Newfoundland might need, after we had been a province for eight years. For that reason there was inserted in the Terms of Union this clause, Term 29 — "In view of the difficulty of predicting with sufficient accuracy the financial consequences to Newfoundland of becoming a province of Canada, the government of Canada will appoint a Royal Commission within eight years from the date of union to review the financial position of the province of Newfoundland to recommend the form and scale of additional financial assistance, if any, that may be required by the government of the province of Newfoundland, to enable it to continue public services at the levels and standards reached subsequent to the date of union without resorting to taxation more burdensome, having regard to capacity to pay, than that obtaining generally in the region comprising the Maritime provinces of Nova Scotia, New Brunswick and Prince Edward Island."

It can be accepted, Mr. Speaker, it has been stated by some who participated and it can be accepted, I think, by all that the Terms of Union between Newfoundland and Canada would never have been signed were it not that this clause was included. Indeed, it is common knowledge that one member of the delegation refused to sign because he said this clause, even as it was, was insufficient. But it is clear beyond any doubt that this union of Canada with Newfoundland would never have been accepted by the people of Newfoundland had we not had Term 29. Term 29 is, to Newfoundland, probably the most sacred term in the entire Terms of Union.

Mr. Hollett: I wonder!

Mr. Curtis: No, Mr. Speaker, when I close I will open the subject for general questions. I am not going to be butted in on every minute by the Leader of the Opposition.

Mr. Hollett: I wonder is the hon. member aware of the fact the hon. Leader of the Opposition is continually harassed by the hon. the Premier when he gets up.

Mr. Curtis: Mr. Speaker, let us consider the matter. The Terms of Union were signed in 1949. They were passed by the British par-

liament. They were passed by the Canadian parliament and they were accepted by the legislature of Newfoundland. They became law. They were made the law by all these three parliaments. Newfoundland, in contemplation of the promised review under Term 29, appointed its own Royal Commission. That Royal Commission worked for some years and prepared Newfoundland's case. In due time the government of Canada appointed a Royal Commission to consider the needs of Newfoundland under Term 29. That Commission was appointed on the twenty-first day of February 1957 and, as Newfoundland's case was beautifully prepared, it was able to proceed immediately with the hearing of evidence in order that it might determine what Newfoundland's proper claim would be. Nevertheless, Mr. Speaker, it took that Commission over a year to bring in its report, which shows just how carefully that Commission went into the situation and shows how involved the question before them was.

Now, that Commission was an exceptional Commission. The Prime Minister of Canada, when introducing the Terms of Union between Canada and Newfoundland into the parliament of Canada, discussed at some length the type of Royal Commission that should be appointed to consider the amount that should be paid annually to Newfoundland by the government of Canada. I will quote his words: And I want to make it clear, Mr. Speaker, that the Prime Minister of that day (Mr. St. Laurent) said: "There is no undertaking to implement any terms of recommendation that may be made at that time by a Royal Commission. It was felt by the Newfoundland delegation", he said, "and by the representatives of the Canadian government that this was something that was being entered into in a spirit of fairness on both sides, and that it was not necessary to make binding stipulations about what would happen with respect to the report of the Royal Commission. It was felt that if there was an investigation and a report by a Commission in which the public at that time would have confidence, the legislators of that day could well be trusted to do what would prove to be right in order to make this enlarged nation a united Nation continuing on its path of progress towards its great destiny."

Mr. Speaker, you will see from that extract from the address of the Prime Minister of Canada in 1949 that it was the intention that Newfoundland's case should be reviewed by men of the highest integrity, and that any report given to parliament by men of that calibre would undoubtedly have the endorsement of the legislators of the day in which the report was presented.

Now then, this Committee reported. It made certain recommendations. These recommendations have been partially implemented, partially, note. You will remember the recommendations:

"Fiscal year 1957-58 — \$6,600,000, \$8,000,000 less the transitional grant.

Fiscal year 1958-59 — \$6,950,000 less the transitional grant.

Fiscal year 1959-60 — \$7,300,000 less the transitional grant.

Fiscal year 1960-61 — \$7,650,000 less the transitional grant.

Fiscal year 1961-62 — \$8,000,000 less the transitional grant.

And thereafter \$8 million per annum."

The next stage was an address by the present Prime Minister of Canada, a prepared address delivered in the House of Commons on the eve of the Easter recess. What did Mr. Diefenbaker say at that time?

"A Resolution will shortly be placed on the Order Paper asking leave to introduce a Bill to carry into effect these provisions pertaining to the Terms of Union. The proposed payments will be unconditional and will be in final and irrevocable settlement of the provisions of Article 29 and the contractual obligations of the union consummated in 1949".

In other words, Mr. Speaker, on the 25th day of March 1959, the Prime Minister of Canada repudiated the Terms of Union between Newfoundland and Canada; the Prime Minister repudiated the term without which Newfoundland would not have entered Confederation. He repudiated a Term which, to Newfoundland, was the most important Term in the whole Terms of Union. Subsequently a delegation went to Ottawa — but I think I can pass over the visit of that delegation, because no result came of it. Then the next thing we had, Mr. Speaker, is a Bill presented to the House of Commons, a Bill which now has been enacted into law. This Bill consisted, Mr.

Speaker, of two parts. There is a preamble and there is the Bill itself. We must look as Newfoundlanders, Mr. Speaker, very carefully into this Bill because we must read this Bill in the light of the Prime Minister's pronouncement, his considered pronouncement read in parliament. Does this Bill, we should ask ourselves, alter in any way the pronouncement made by the Prime Minister on the 25th day of March 1959? We have the Bill here, Mr. Speaker.

The operative clauses of the Bill are the clauses which appear after the words of enactment, in this case: — "Now therefore Her Majesty by and with the advice and consent of the Senate and House of Commons of Canada enacts as follows:" What comes after those terms of enactment are the operative clauses of the Bill. What comes before those clauses we call a Preamble. A Preamble, it is true, as the hon. Leader of the Opposition has said, is a part of the Bill. But it is not, and I repeat, it is not an operative part of the Bill. It is a clause; the Preamble constitutes clauses which can be used and can be used for one purpose only, i.e. to interpret, if any interpretation is necessary, the operative clauses of the Bill. The operative clauses of the Bill speak for themselves. If they should be ambiguous in any way, recourse may be had to the Preamble to assist in interpreting them.

Now, Mr. Speaker, the Preamble to this Bill covers a page and a half and is, as far as Newfoundland is concerned, absolutely and only a statement of facts. They are not a statement of law. They are absolutely ineffectual as far as you or I or anybody else in Newfoundland is concerned. None of us could go into court and ask for any relief for anything provided in this Preamble. The operative clauses of the Bill are clear, they are unambiguous, they say purely; that the Bill should be called the "Newfoundland Additional Grants Act" and that the following amounts should be paid to the province, and that they shall be paid at such and such a time, and they should be charged to such and such a fund — absolute, simple and unambiguous Statutes that require no legal interpretation. Therefore I have no hesitation in saying now that this entire Preamble, is purely dust thrown into our eyes at the last minute, with this Bill, to try to disguise the fact that this Bill is just what the Prime

Minister of Canada said on March 25th it would be.

It is true it does not spell out the words "this is final and irrevocable." It does not say that, but it does say that there has been a Commission — "The government of Canada has proposed a comprehensive study of dominion-provincial relations in co-operation with the provinces, and all the provinces have agreed to participate therein. And whereas in the course of such review any special circumstances relating to the financial position of the province of Newfoundland after the thirty-first day of March 1962 would be taken into consideration." — Purely promises, suggestions, purely pious platitudes thrown at us. And some of us in this house have swallowed the same "holus-bolus" as if it were an Act of parliament which gave us certain rights. This weakness in the Bill, Mr. Speaker, was pointed out to the government in the House of Commons, and in the House of Commons the government of the day had an opportunity, if they were sincere in giving effect to this pious platitude mentioned in the Preamble. This suggested amendment gave them an opportunity to prove beyond doubt that they were sincere. What was this suggestion that was made? The hon. Mr. Pickersgill —

Mr. Hollett: Now we are getting at the stuff.

Mr. Curtis: Mr. Pickersgill moved that the following clause be inserted in the Bill, not in the Preamble. They knew in the House of Commons that what was in the Preamble was worthless. They knew that what was in the Preamble was inoperative. Therefore it was suggested to the government by the hon. Mr. Pickersgill that, instead of putting any nonsense in the Preamble, which they knew to be nonsense, that they would write that clause into the Bill itself. Therefore it was moved that there be inserted in the operative clauses of the Bill, as Clause 4: "There shall be held a review of the financial position of the province of Newfoundland before the 31st day of March 1962 for the purpose of determining what additional financial assistance might still be required after the 31st day of March 1962 to enable the Government of Newfoundland to continue public services ..." The same words you will notice, the same words as Term 29

— "...at the levels and standards reached in 1957 without resorting to taxation more burdensome ..." etc etc. exactly the same wording as in Term 29. "and the form of such review shall be agreed upon with the government of the province of Newfoundland." That was the opportunity, Mr. Speaker, for the Prime Minister of Canada to show his sincerity, to show that the clause of the Preamble, which has been quoted to us as being our life belt, that this clause was not just a bluff. What happened? That amendment was proposed and objected to.

Mr. Hollett: Had to object.

Mr. Curtis: Mr. Fleming objected to it. Why would he object if he were honestly willing that Newfoundland would have its claim considered under the provisions of Term 29? Why would they object to that amendment? Just because they did not mean it. That is the reason. They knew the Preamble did not convey anything to Newfoundland, no rights, nothing. They knew that if it were in the body of the Bill, the operative clauses of the Bill, it would be effective and therefore they refused to put it in. Now, Mr. Speaker, the Preamble: My hon. friend, the Leader of the Opposition, read us a lecture in law the other day and quoted the Revised Statutes of Canada.

Mr. Hollett: Better be careful and quote me closely.

Mr. Curtis: I take it all back — My hon. friend did quote from the section.

Mr. Hollett: Would you like me to read it, Mr. Speaker?

Mr. Curtis: It is the same as the Newfoundland one.

Mr. Speaker: Is the hon. member rising to a Point of Order?

Mr. Curtis: He gave us a talk on it, but I am afraid he rather skimmed over some parts. It is true that under the Interpretations Act —

Mr. Hollett: Some things I say are true —

Mr. Curtis: — under the Interpretations

Act that the Preamble is part of the Bill. Yes, it is part of a Bill. Of course it is — and my hon. friend also quoted — "The preamble of every act shall be deemed a part thereof .." And this is what it says: "Intended to assist in explaining the purport and objects of the Act." It is a portion of the Act intended to assist in explaining the purport and objects of the Act. I can quite imagine that, up on the mainland, they may need some interpretation clause, because on reading the debates I find they don't know what the word "Thereafter" means. They do now know what the words — "Thereafter \$8 million" means. They think the word "thereafter" means for the next years. So they need an Interpretation Act.

My hon. friend also referred to Lord Halsbury .. Lord Halsbury is an authority, and he has lent his name to some laws of England which we find very valuable in practicing our profession. But I will quote what Lord Halsbury said himself, not what his book says, because nobody thinks for a minute that Halsbury read all these laws in England. He had bunches of school boys, editors, professors and everything else writing that book Halsbury said himself: "Two propositions are quite clear — one, that a Preamble may afford us full light as to what a Statute is intended to reach, and the other that if an enactment is clear and unambiguous, no Preamble can qualify or cut down the enactment." In other words, Mr. Speaker, the Preamble is purely there to assist the court in interpreting an ambiguous clause and if there is no ambiguous clause the Preamble is just so many words. They rarely put Preambles in Bills. And they put in this Preamble, Mr. Speaker, simply as a bluff — and they caught some fish.

Now, Mr. Speaker, suppose that the government of Canada had accepted the amendment of Mr. Pickersgill — we would not be here today. The Newfoundland government and the Newfoundland people do not want anything more than their rights and their legal rights. They have certain rights which were brought in by the McNair Royal Commission. The McNair Royal Commission made certain recommendations.

Mr. Hollett: That did not give them rights.

Mr. Curtis: They have the right to expect that the Canadian parliamentarians will be hon. men and live up to their obligations. And there is an obligation under the Terms of Union, there is an obligation under Term 29.

Mr. Hollett: Mr. St. Laurent said no.

Mr. Curtis: It is true we cannot issue a summons against them. We cannot go to Ottawa and attach the Parliament buildings and sell them. It is true we cannot do these things. But we can bring pressure to bear in the only way anyone can, politically, to see that these people in Ottawa treat us hon. and fairly. — And that, Mr. Speaker, I am afraid we must say they have not done. The Prime Minister repudiated the Act of Confederation on March 25th. It was further repudiated when in the last week this Bill passed the House and became law.

Mr. Hollett: To a Point of Order — On that word "repudiation" — if my hon. friend is going to use the 25th of March why not read what he said on the fourteenth of July.

Mr. Speaker: I don't think that is a Point of Order.

Mr. Curtis: My hon. friend made his speech, Mr. Speaker. He can call it what he likes — call it a Point of Order — I am not interested in what Mr. Diefenbaker said since March 25th. If in five years time, Mr. Speaker, Newfoundland goes to Ottawa and says, 'Look at this — Look at what Mr. Diefenbaker said in 1959, in June of 1959 or in July of 1959' — Would they not snap back with: "But look what he said March 25, 1959?" He made a complete statement, a written statement, put in Hansard the 25th of March. We want something more than any pious platitudes to offset a statement deliberately made and published to the world by the Prime Minister of Canada. At the present time we have Term 29. Newfoundland intends to see that Term 29 remains, and that Newfoundland can feel that it has behind it Term 29. The present government would pass legislation repudiating it. They have repudiated it, and Newfoundland must not be content until that repudiation has been itself repudiated. Now there is one other point, Mr. Speaker,

and I am through: The Prime Minister of Canada, in 1949, made it clear that any review should be by a very outstanding group of men. We had an outstanding group of men constitute the first Royal Commission on the Terms of Union. Mr. McNair, Chief Justice of New Brunswick; Sir Albert Walsh; Mr. John G. Deutsch. We had an outstanding group of men of whom any Royal Commission would be proud to boast. Any parliament of Canada should be happy and willing to adopt the report of such men. Suppose for instance, by the merest freak, suppose they had put this Preamble in the Bill itself, and put it in amongst the operative clauses, what would it have meant? That Term 29 was to be interpreted by a comprehensive study of Dominion-Provincial Relations in co-operation with the provinces. It does not say who is to make up that commission. I don't know. I believe the Prime Minister mentioned the commission that is at present working, the civil service commission representing Ottawa and all ten provinces. What have the other nine provinces got to do with a private contract which exists between the federal government and Newfoundland? What do you think the man in British Columbia knows or cares, or the man in Saskatchewan, or the man in Alberta or Quebec or Ontario, or the man in the Maritime Provinces, what do they care? It is a matter between Newfoundland and the government of Canada. It is a two-party agreement. But, if they had been honest and honourable in this clause, and had put it in the operative clause, it still would not have been satisfactory because it would have thrown into a melting pot Term 29. Term 29 is not a term that can be put into a melting pot. Term 29 is a contractual obligation. The Prime Minister himself referred to it as a contractual relationship existing between the federal government and the Newfoundland government. And that should be interpreted by a Royal Commission. In my opinion, Mr. Speaker, the report of the recent Royal Commission, the McNair Commission, should have been accepted by the government of Canada and by the parliament of Canada until one of two things happened: (1) that Newfoundland itself releases Canada from the obligation. And God help us! Let us hope that day will soon come when Newfoundland won't be look-

ing for anything. I am satisfied that in time Newfoundland will be independent. Let us hope that day will come. But until that day comes and until Newfoundland releases Canada from its obligations under Term 29, it stands as a moral obligation of Canada's. There is one other manner in which this Term 29 can be terminated, and that is when another Royal Commission of equal standing with the first has heard Newfoundland's case, and has come to a decision on it. That decision may increase the amount to be paid to Newfoundland, it may reduce the amount to be paid to Newfoundland, but until such time that such a Committee reports, I submit in all honesty, and in all political fairness, that Canada has no right, no right unilaterally to say we will pay the amount until 1962 and then "Kapun" — We have had it.

Mr. Hollett: To a Point of Order, Mr. Speaker. May I point out that that is contrary altogether to the statement made by the hon. Mr. Diefenbaker, the Prime Minister. I object very strongly.

Mr. Speaker: Order! There is only a Point of Order when some rule of parliamentary procedure has been violated.

Mr. Hollett: Truth for instance.

Mr. Curtis: I have not knowingly, Mr. Speaker, stated one word which is untruthful.

Mr. Hollett: Turn to page 1592.

Mr. Curtis: I will turn to no page 1592. My hon. friend had time to read that. He had more time than I have. I gave him as much time as he needed and I am not going to read 1592, I don't care what Mr. Diefenbaker said or Mr. Fleming said. It was more than contradicted by what they did say March 25, 1959, and by what they did in putting this reference to Term 29 in the Preamble. Had they put what was in the Preamble into the body of the Bill we would listen to them, but they made no attempt. This is a repudiation. And, Mr. Speaker, this term is important to you and to me. It is important to the members of this house. It is important to the people outside this house. It is important to children, to all our chil-

dren yet unborn. It is a most important clause. And, Mr. Speaker, we must see that it continues that it remains there until we have gotten our industries and everything else fully developed, and until we, on our own, are able to maintain our public services. Everyone in Newfoundland, everyone, high or low, rich or poor everyone, needs the protection of this clause. And I say to the Leader of the Opposition and to the Leader of the Newfoundland Party and the members on this side and the people of Newfoundland, for your children and mine fight for Term 29! Thank you!

Mr. A. M. Duffy (St. John's Centre): Mr. Speaker, a week ago today I resigned from the party to which I had given allegiance, my loyalty and my support for 10 years. At that time I gave my reasons. Following that announcement, my erstwhile friends in the Conservative organization issued a release, an official release, which stated that my colleague and I were acting from misguided patriotism and that we were influenced by what was termed, I believe, "Smallwood Propaganda." Now I have just a brief observation to make on that.

On March 25th, the Prime Minister of Canada, the Leader of the federal parliament, of which I was an adherent, made that high-handed statement on Term 29 — on March 25th. On March 26th, my friends who made that official release last week (and I was one of them) sent a very stiff message to the Prime Minister of Canada taking him to task for this high-handed conduct in relation to one of the Terms of Union, without which there would have been no union. And my friends and I told the Prime Minister, in no uncertain terms, that we questioned his right to put a time limit on Term 29. My friends also know that, back before that, when the hon. minister of Justice of Canada, Mr. Fulton, failed to do his duty, influenced by the Prime Minister of Canada, out of a mulish and political motive. Hours after that my friends know I denounced that action. Mr. Speaker, the Conservatives don't believe that at all. They don't believe I was influenced by what they termed "Smallwood Propaganda" but would like others to believe it. I have been exposed to this so called propaganda here since 1956, and over-exposed to it, with no

harmful results. I think the public records will show I have exercised my judgment, within my intellectual limits, as freely and independently as I could, and I feel that the people who sent me here share that feeling. If they don't I feel quite sure it will be made known to me in the very near future. I, unlike the Premier, did read the morning newspaper — and if they do not agree with me, or if they do agree with me, I will be appraised of their feelings.

Now, Mr. Speaker, with reference to Term 29, I think everything has been said. I think that it has been thoroughly aired, and I do not propose to be repetitious nor to waste the time of the house in merely going over again the aspects of Term 29 that were discussed so fully in this house last week. When I spoke in the budget debate some two or three weeks ago, I gave my views on Term 29 and my views are unalterable. I said at that time, in effect, that any possible clumsy wording or any ambiguities that this possible clumsy wording may have brought about were relatively unimportant, in my opinion. As an ordinary man, with common sense and intelligence, I look upon Term 29 as a device in the Terms of Union between Canada and Newfoundland to provide a protection in the financial uncertainty that union with Canada would inevitably bring about. This device was mutually agreed upon between Canada and Newfoundland. This Term 29, which I have looked upon as a device for the protection, has been removed by one of the agreeing parties in the original agreement. And that has been replaced by this government of Canada by what I myself consider a very nebulous Bill. I don't propose to read any text from any speeches today because speeches are not Statutes. The Bill, a simple one, very simple and any layman will find it extremely easy to understand it, replaces what I feel was a right for the protection from the financial consequences of union, and that right and that protection has been simply and high-handedly removed by one party and that party is the government of Canada.

We are not interested, Mr. Speaker, in federal civil service committees considering the special needs of Newfoundland, and which would by the same token consider the special needs of any other province. We are not interested in that at all. We are interested in the Terms of Union being observed solely,

and strictly and honourably. Term 29, which up to a week or so ago was part of the Constitution of Canada, was written into the British North America Act, and has now been violently removed. To look upon this device to protect us, Mr. Speaker, this Term 29 in any other way, forgetting the legal shopping, the profound deliberations of those versed in the law, forgetting all that, I find it repugnant to reason to put any other interpretation of that clause, this Term 29, devised to protect us, than the simple one that I have given it. To do otherwise would be to deny the forces of logic. A people have been confused by this, Mr. Speaker. I think everyone in this house has been a bit confused, and quite frankly I think they were meant to be confused. We hear talk of the millions of dollars that have been pouring into Newfoundland from Ottawa -

Mr. Hollett: Is not that correct?

Mr. Duffy: We don't see the whole picture. This is done deliberately to confuse the people, because if they were honest they would talk about the other flow of money that flows out of Newfoundland into Ottawa. We are not the recipients of charity, Mr. Speaker. We are getting what we are entitled to, what union with Canada entitled us to.

Mr. Hollett: That is right. That is right.

Mr. Duffy: Let me tell you, Mr. Speaker, on that one item alone which pours back into Ottawa — this is not a one-way street — all we hear about is these millions pouring in — on one item alone in 1957, the income tax paid by us, by the people and by the local corporations, amounted to \$28,930,484. Now, Mr. Speaker, I hate to say this — my friend there interrupting me, I have to point out that until a very short time ago his opinion coincided with mine, my private opinion, so I am not going to be concerned about his public opinion. I am not going to waste time.

Mr. Hollett: May I ask?

Mr. Duffy: No you may not. I would like to point out I have the floor, Mr. Speaker.

Mr. Hollett: Yes.

Mr. Duffy: Well keep quiet. Mr. Speaker, let them give the whole picture and not deliberately, and by design, confuse our people. And they have done that, and I don't think my words are going to undo it. But I am going to do what I can to see that the people are just not confused on this very important thing. I am not throwing my hands in the air because this government opposite might get more money. That has nothing to do with it, and neither has the talk about these millions coming from Ottawa anything to do with it, and neither has the talk about it going back to Ottawa. They should leave it alone. It has nothing at all to do with it. Mr. Speaker, as I said before, I would be merely repetitious were I go to over the different aspects of Term 29. That has been very, very fully covered. I am merely giving what I feel is the simple and reasonable interpretation of this as it strikes the ordinary man in the street.

Mr. Hollett: Tell what you said about the McNair recommendation.

Mr. Duffy: Mr. Speaker, Newfoundland looks to Canada to honour her bargain. Now, too much politics have been made in this very important matter, a matter which should transcend politics, a matter that has nothing to do with politics. The Terms of Union surely should have a more important place than being a matter for political personalities, and political hostilities, personality clashes, wounded vanity, which have all combined to have the interests of Newfoundland cut squarely in the middle. Term 29, as I see it, has now reached the inglorious end of being a political football, and I place the blame for that where it most properly belongs, and that is at the feet of the federal government and at the feet of its Prime Minister, who stated openly that he would revise the Terms of Union for Newfoundland upward — upward. In March last, Term 29, the lifeline which Newfoundland has in this very uncertain contract, was removed. Now that solemn pact between Canada and Newfoundland is smashed.

Mr. Hollett: I think you would be glad of that.

Mr. Duffy: No, Mr. Speaker, we hear a lot these days about betrayals, smashing of sol-

emn contracts — that is not exactly new to Newfoundland. We do not have to go too far back in history to see broken contracts. Only 10 or 11 years ago — and I am not going to talk about Confederation any more than is necessary for Term 29 — I am now talking about 1934 when this little Island was unable to survive financially and we voluntarily signed away our Constitution, our constitutional rights, with the solemn assurance that, when we become self-supporting, and when we asked again for our Constitutional status it would be restored. What happened? A betrayal, Mr. Speaker, by the British government, with an assist from the Canadian government, a Liberal government at that time. So we are not for the first time experiencing betrayal, broken contracts. We have unfortunately been always the small party, the defenceless party to contracts, and we cannot do much about it but raise our voice in protest — and those who betrayed us in the past and in the present are men of might. We are merely men of right. Mr. Speaker, I support the Resolution.

Hon. B. J. Abbott (Minister of Supply): Mr. Speaker, in rising to speak to this Resolution which is now before this house I would like to say that I support it. It is not easy to say something new about Term 29, especially in view of the way in which it has been interpreted by the Diefenbaker government. It is not important to say something new, but I do think it is very important that every member of this hon. house, every man, every woman and every child should repeat and keep on repeating — "The Diefenbaker government betrayed Newfoundland". Furthermore, Mr. Speaker, I think it behooves us, as Canadians, to make it known to every Canadian from Victoria to St. John's what has been done as far as Newfoundland is concerned.

We all know that Term 29 authorized the setting up of Royal Commission. The Commission was set up in February 1957, but prior to that the Newfoundland government had prepared its case. It had engaged economists, lawyers, its senior civil servants, and when the time came for it to present its case, it did so very well, indeed very credibly to the men who sat on that Royal Commission. The McNair Commission deliberated on the evidence submitted

to them, and in July 1958 it presented its report to the House of Commons, or at least the report was released to the House of Commons in Ottawa.

Mr. Speaker, we all know the general resentment by the people of Newfoundland. We know the resentment by the hon. Leader of the Opposition and his colleagues. We know the resentment, the shiver that went down through people's spines when they knew and heard that pronouncement. That is history. Furthermore, every organization in Newfoundland, from the Board of Trade to service clubs drafted resolutions and sent these resolutions on to Ottawa, protesting to the government the report which was given. Furthermore, the hon. the Premier negotiated with Ottawa and asked if something could be done in the way of improving and making better terms for Newfoundland. A resolution was put before this hon. house and it was supported by the members of the Opposition. It was passed unanimously, protesting to the Diefenbaker government the report of the McNair Commission. What happened? We heard nothing more about it until the hon. the Premier, the man who is dedicated to the services of Newfoundland, was in touch with the Prime Minister of Canada with a view to meeting and discussing the McNair Report. We all know the Prime Minister had planned his tour around the world. Well, one of the things we did ask was that, at least, they would give us what the Commission recommended. We needed the money. We needed roads. We needed schools and needed municipal services. And what did Mr. Fleming say? All he said was — "You have \$7.5 millions — very good! get along with that. That is the best we can do. To heck with your roads and your schools, get along with that if you can."

Mr. Hollett: Is that in the record?

Mr. Abbott: That is in the record, Mr. Speaker, plain for everyone to read.

Mr. Hollett: To heck with Newfoundland?

Mr. Abbott: That is the inference, and a very good inference.

Mr. Hollett: It is not a quote of the record but just an inference now.

Mr. Hollett: The Prime Minister did go on his trip around the world and it was not until January 1959 that the Premier was able to meet with the Prime Minister. He went up and he pleaded with that man, that good man that we had heard so much about, that the people of the country trusted so much and so well — he pleaded with him to be more generous; and, of course, the Prime Minister left the impression that he would reconsider it and that he could do something more. And the Premier came back and reported that he felt that the Prime Minister would be most sympathetic. Then, the ambassadors of goodwill, the Leader of the Opposition and the two hon. members facing me —

Mr. Speaker: Order! I am sorry to interrupt the hon. member but there is some disturbance in the Chamber by those who are not members, and I must warn them to stop at once. There must be no demonstrations, no whispering, laughing or noise of any kind from strangers in this house and by strangers I mean, in parliamentary language, those who are not members. I am very sorry to have had to interrupt the hon. member who has the floor.

Mr. Abbott: As I have said, Mr. Speaker, the hon. Leader of the Opposition and the hon. and learned member for St. John's East (Mr. Higgins) and the honourable member for St. John's Centre (Mr. Duffy) went forth, under their own deep-rooted convictions, went forth, to Ottawa —

Mr. Higgins: If the hon. member will allow me — The hon. member for St. John's East did not go, but my honourable and learned friend from St. John's South (Mr. Renouf),

Mr. Abbott: Well, Mr. Speaker, they did go forth to Ottawa.

Mr. Hollett: There were only three of us.

Mr. Abbott: They went forth to Ottawa and they too pleaded with the Prime Minister for better terms, for some greater consideration. Why did they do it? Because they had deep-rooted convictions, they knew full well —

Mr. Hollett: And we got it in the Bill.

Mr. Abbott: What happened? The Prime Minister, I take it — I feel sure, Mr. Speaker, that he reprimanded them for being bad boys down here, for supporting the Resolution which was passed by the Smallwood government. No doubt he reprimanded them for that. Nevertheless, we feel sure they were sincere in their mission when they did go forth. They came back. Very well, time went on and on March 25th (I think that is the date) the Prime Minister announced in the House of Commons that we would get the amount recommended by the Royal Commission, but that after 1962 that would be it. But he would consider giving some favourable consideration or every consideration to Newfoundland's needs at that particular time, when the time came around. Mr. Speaker, we have often heard the reply — "Oh! We will take everything into consideration! Of course we will consider your case!" Mr. Speaker, that in itself is not sufficient. That does not satisfy our people. We are a new member, a new arrival, into this great family of Canada. We are a new arrival. And what do you do with new arrivals in the family? You bestow all you can on this new arrival, all you possibly can do you do for a new arrival. But what was the government of Canada prepared to do? Was the government of Canada prepared to do so? No! "Thereafter, you cannot get the \$8 million, but we can assure you we will give you every consideration." I submit, Mr. Speaker, that is not enough. I submit, Term 29 has been thrown into the waste paper basket. Some 45 years ago there was a man in Europe who said treaties are but scraps of paper — "Treaties are but scraps of paper" — And we have a man in Ottawa today who says treaties are but scraps of paper. So if we find that treaty, Term 29, a solemn obligation — Mr. Fleming himself said it is an important constitutional document, when he was introducing it — "An important constitutional document." That is in Hansard for everyone to read. And "an important constitutional document" means that it is constitutional, and to throw it out the window is really something which Newfoundland never expected. I am sure our people in the outports are disappointed to know the fact that, as far as roads are concerned we must take our chance, so far as more schools are concerned we must take our chance on that, but

we cannot offer you anything for sure. We will do our best. We will give you every consideration.

Now, Mr. Speaker, I think the time has come for every Newfoundlander to be heard in this matter. We, as members of this great family, we must make it known to Canada, to our friends in Ottawa, and some of them are kith and kin, some of them have moved there from Newfoundland, living in Ontario, but their father's sepulchres are here in Newfoundland. And I am sure they will join in heart and voice with us who are Newfoundlanders and will say, we will see that wrong is righted, we will see that Newfoundland does come into her own and that she will get what she justly deserves. And I feel that we, as Newfoundlanders, must preach it from the house tops that Newfoundland has been betrayed by the Diefenbaker government. Mr. Speaker, I support the Resolution.

Mr. J.D. Higgins (St. John's East): Mr. Speaker, I propose speaking but am wondering if I should cast my pearls before or after a cup of tea. Mr. Speaker, in rising to this debate I want to make two things clear. First that I, in common with my colleague from St. John's Centre, support the Resolution which was introduced into this house on Tuesday last by the hon. the Premier; secondly that the support which we are lending to this Resolution means merely that we support the government, in this instance, because we feel that, as a party which has openly announced that it was dedicated to furthering the interests of Newfoundland irrespective of any consideration of any national party, we can see no other course open to us.

Now, in order to avoid any possible misunderstanding let me repeat, in part at least, what I said in this house on Monday last. Neither my colleague from St. John's Centre nor myself have any intentions of forming common cause with the present administration on any matter in which we feel that the interests of Newfoundland as a whole requires opposition. But, Sir, to oppose merely for the sake of opposing is silly. It is neither useful nor sensible. And to spend hours quibbling over points of construction or interpretation is not, in my opinion, the job that the people who elected us to this house expect us to perform. I

don't intend, Sir, to weary this house by reading of long passages from Hansard. It is possible, Sir, that my thoughts may not be as eloquently phrased as is the thinking of some of the greater parliamentarians at Ottawa but at least, Sir, what I have to express are my own ideas, and I propose to express them in my own words.

Some honourable member of this house complained during the course of the debate that this was an unnecessary session, that it was called at the wrong time of the year, it is too warm, and we should be out in the garden or doing something else. Well now, Sir, the business of the province, particularly the business that we are called back to consider at this time cannot, unfortunately, be subordinated to the season of the year. And reading, in common with the hon. Leader of the Opposition, the "Daily News" this morning, I think it is a very fortunate thing for some of us that the house is called in session. It may be the last time some of us, for a while at least, have a chance to be heard here, and I propose to avail of that opportunity whilst it is here.

Now, Sir, at any time that I have spoken in this house I have endeavoured to remain impersonal, and I do not wish to depart from that practice today. But the debate so far has produced some interesting contradicting opinions, and some rather startling reversals of position. As I remember the remarks of the Leader of this house on Tuesday last in introducing the Resolution, he said, in part, that on September 3rd of last year he, as Premier, had introduced a Resolution in this house relative to the report of the McNair Commission Report. That Resolution was seconded by the hon. member for St. John's West (Mr. Hollett) as Leader of Her Majesty's Opposition. That Resolution was approved by unanimous vote of all the members in the chamber when the vote was taken. That Resolution specifically set out the understanding of this house and all the members thereof, of the fact that the award of the McNair Commission was made on a lasting basis. Now, I find it difficult to reconcile these facts with the attitude adopted during the past week by the hon. gentleman who was the seconder of that motion of September 3, 1958.

Mr. Hollett: I wonder — I did not hear the hon. gentleman properly — What was the

subject matter of the Resolution of September?

Mr. Higgins: September 3rd. Mr. Speaker, I did not quote the subject matter because I did not have the Resolution with me. The statement I made was, Sir that the Resolution, amongst other things specifically set out the understanding of all the members of this Assembly of the fact that the award, i.e. the award of the McNair Commission, was made on a lasting basis.

Mr. Hollett: But \$8 million was not sufficient.

Mr. Higgins: Indeed on this question of a lasting basis — and I know the hon. gentleman will not regard me as being unfair, as certainly it is only in order to set the record clear; I refer to a statement allegedly made by the hon. Leader of the Opposition to the "Daily News" of St. John's on March 26, 1959, in which he is quoted. Now the source of this question is, I am afraid, I cannot vouch for — it is the statement by the Hon. J.W. Pickersgill, who is not necessarily a favourite character of mine, but in the debate of the House of Commons of July 13, he referred to a statement attributed to the hon. Leader of the Opposition in the St. John's "Daily News".

Mr. Hollett: Is that the authority?

Mr. Higgins: This direct quotation of March 26 — Here is what it says: Mr. Speaker, the article is entitled — and I quote — "Hollett: We fail to understand" —

"Malcolm M. Hollett, Leader of the Opposition in the Newfoundland legislature and political leader of the Progressive Conservative Party in this province said he fails to understand the statement of the Prime Minister in relation to the provisions of Term 29.

"Mr. Hollett said in a statement to the 'Daily News': We scarcely know what to say. The Royal Commission recommended \$8 million from the first of April, 1957, to be paid annually to the government of Newfoundland to enable it to continue public services at the levels and standards reached subsequent to the date of union. These are the words of the term itself.

" 'Rightly or wrongly' the opposition leader continued, 'most of us thought that \$8 million was too little. Even if \$8 million were sufficient I fail to see how the federal government can accept the amount recommended by the Royal Commission and then limit it to five years, which is contrary to the Commission's recommendation in respect to time.'"

Mr. Hollett: What date was that? Was that March 26, 1959 Hansard which you quoted?

Mr. Higgins: That was the interpretation put on the Prime Minister's words at that time. Now that was the same date on which this telegram, to which my colleague from St. John's Centre has referred, was dispatched to the Prime Minister. I was not one of those who drafted the telegram. My colleague was. He was more familiar with the actual wording than I. That was at that particular time the opinion of all the people who supported, or the executive of the party that supported the present federal administration.

Mr. Hollett: We still have that opinion here — \$8 million is not enough.

Mr. Higgins: Mr. Speaker, I am not arguing as to opinion. I am arguing now as to the extraordinary reverses of opinion that have taken place. However, to continue, Mr. Speaker, I do not think repetition is useful, but in this particular debate, repetition is almost unavoidable because the whole purpose and the only reason for this house to be sitting at the present time is to discuss the situation which now confronts all of us, every man, woman and child in Newfoundland, as the result of the legislation passed in Ottawa during the week of July 13. At the risk of being repetitious, let me say that I agree very largely with the remarks of the Minister of Provincial Affairs (Mr. Murray) when he spoke, when he put the situation very succinctly, very clearly, and with his reasoning I find myself in accord, because there can be no doubt that the Terms of Union were, as has been said repeatedly inside this chamber and outside, a solemn agreement, a solemn compact entered into between two sovereign countries. They be-

came an integral part of the Canadian Constitution. Now, Sir, I use that word "Sovereign" and I use it in the full knowledge that, in another house, an attempt has been made to point out that the Statute of Westminster had never been ratified by the Parliament of Newfoundland, and therefore Newfoundland was not a Sovereign Country and the agreement could not have the binding and solemn effect that it is argued it should have. But in fact, Sir, Newfoundland was, in fact if not in the strict letter of the law, Newfoundland was in effect a self-governing country, she was a full fledged member (albeit there were certain restrictions on her freedom) of the British Commonwealth and to argue otherwise would be to indulge in the sheerest form of petty reasoning.

Now, Sir, if we accept the position that this was an agreement made between two fully constituted, contracting parties, then it must surely follow that these Terms of Union are only subject to change by mutual consent of the people who made the agreement, or else by some judicial decision. It has been stated here by some gentleman learned in the law that there does not exist grounds for action in law on the injustice which it is alleged has been done us. That may well be so, Sir, but if we have no grounds for an action in law, we certainly have reason to look to the Canadian government to honour the obligations which it undertook, to honour the obligations, and not to tear up that contract without reference to the other people who were party to the contract. That is the obligation they disregarded. Now we know that there is no recourse to the courts. What has happened, Sir, is that there has been a one-sided repudiation based on a one-sided interpretation of the contract. We are only laying it on with emphasis. It has been laid on in other ways, through the press of Canada, stated in this house, broadcast over the air the great amount of money Newfoundland is getting from Ottawa. Sir, with every desire to be fair, may I point out that these amounts, and they are good and they are substantial and indeed I suggest that a man would be a fool to deny that, Newfoundland would not go ahead as a member of the confederation family without them, but, Sir, these amounts come to us as a Canadian province, in common with any other Canadian pro-

vince there is, and not by any special benevolence from family allowances, from Old Age Pensions, from Atlantic Grants which we share with three other Atlantic Provinces, from all these which come as a right by virtue of membership in the Canadian family.

To suggest that the present federal administration has singled out Newfoundland for particular attention is to state something, Sir, which is not in fact the case. The fact that Newfoundland has received great amounts under the hospital scheme — it must be born in mind that Newfoundland was one of the first provinces, if not the first, to fully take advantage of the opportunity afforded under that present hospitalization scheme. But, Sir, the people who talk about the large amount of money that comes to Newfoundland are applying what I suggest a completely wrong yardstick. Term 29 is not merely a matter of money. Term 29 is a matter of principle. We have been told by the federal government about it, by the Liberals about it, by the Conservatives about it, by the CCF about it. A review of the situation after 1962 will give us in Newfoundland better treatment from a money standpoint than was ever envisaged by Term 29. That is fine, Sir, that is fine. But what is the fact today? The fact is that the method proposed by the present federal government of doing this is to take away our written guarantee and substitute a pious assurance of future intentions.

So long, Sir, as any government can, with impunity, disregard its written undertaking and moral obligations, and substitute therefore verbal promises then I submit, Sir, nothing in the Constitution can be regarded as sacred. I am not as a rule a great reader of the Canadian press, but a lot has been said this house about the rest of Canada not understanding Newfoundland's position. I have here, Sir, the "Montreal Star" of Tuesday, July 21. We have been told quite recently how Quebec has gone overboard for the gentleman who presently heads the government of Canada, but in its editorial of July 21 this is what the great "Montreal Star" says: "By any yardstick the government's outstanding blunder was in its dealings with Newfoundland. Mr. Diefenbaker pulled the biggest boner of his career with his bull dozing tactics in virtually telling Newfoundland that, after 1962, they

would get what Ottawa felt like giving them in special payments. He must also share the blame for withholding RCMP reinforcements during the loggers strike..."

Now, Sir, my only purpose in quoting this is this — "The Montreal Star", which has not dropped to the status in the honourable gentleman's eyes, I trust, of the "St. John's Daily News", is a paper, Sir, which certainly represents the opinions of a great section of a province which is not particularly interested in Newfoundland. Now, if the editorial policy or the editorial writer of the "Montreal Star" can look at Newfoundland's problems with that attitude, surely, Mr. Speaker, I suggest we in this house are well justified in the misgivings with which we view the verbal assurance of better treatment after 1962. Because, Sir, there is no doubt about it that all that had to be done was for the federal government to put into their Bill, as mentioned this afternoon by the Attorney General, just the provision that any financial review directed specifically to Newfoundland's case be within the ambit of Term 29.

Their suggestion is that there will be a review in common with nine other provinces, and quite truthfully, Sir, one does not have to be a seventh son to see, if there are nine other provinces up there and all looking for something at the same time, the smallest dog will very likely get the least of the bone, and all, unfortunately all arguing, Mr. Speaker, before a board set up to consider all the problems of all the provinces. We are now discussing the action of the federal government in connection with Term 29.

Mr. Hollett: Where did the hon. member read that?

Mr. Higgins: As I have already intimated I have no intention of reading Hansard. Too many people cannot do anything but. What I have put today, if not too eloquently, at least in my own thinking and not handed out to me — at least it has the virtue of being original. But, Mr. Speaker, passing to another aspect of the debate — If I understand correctly, the hon. member for St. John's South, (Mr. Renouf) who in a very fair manner set out the position for his party, did say something towards the close of his remarks which indicated that he could

assure the house (I remember he implored we should sit down around a table somewhere sometime in a calm and dispassionate atmosphere and review this whole matter) but he went on to say, or to assure the house that, if any such discussion were desired by Newfoundlanders, for a discussion to consider any amendment, any alteration of this Bill, he said, that could be arranged.

Premier Smallwood: And what kind of enquiry might we wish to have? — the nature of that enquiry?

Mr. Higgins: No I was just wondering if the hon. and learned gentleman could assure me whether my understanding was correct?

Mr. Renouf: No, Mr. Speaker, I was speaking of an appeal to reason rather than an election platform. I felt that this issue should rather judicially be decided once and for all, or that we should get down as civilized human beings towards our fellow citizens in Ontario, Torbay or Outer Cove or where ever you like, but for Heaven's sake, in common sense, not a fire brand.

Mr. Hollett: Not on the hustings?

Mr. Higgins: I thank the hon. and learned member.

Premier Smallwood: The hon. gentleman is talking about what he said.

Mr. Higgins: I am very happy to have that correction — and I think that correction will be given, in fairness to the hon. gentleman, the same publicity as the mis-statement of his remarks of last week. — Because I would not for a moment wish him to be misunderstood, and I am afraid I am not alone in the impression I had that there had been some intimation, from the great man or from somebody who conceivably arrived in Newfoundland recently, to the hon. gentleman. And, Sir, I am not trying to be unfair about that. I am quite certain, Sir, that the impression is general in St. John's, and throughout Newfoundland today, and if it is not correct, the sooner it is understood the better. So that if there is no alteration in the "stoney-heart" why not let the public know? We have had an hon. gentleman stand up here and, with no intention to mislead, by

some unfortunate turn of phrasing, create the impression that there has been a change of heart. Because, Sir, if there was nothing to that statement it, of course, only again emphasizes the extraordinary depths to which relations at the official level have degenerated. I could hardly have credited that the most junior member in this house, in point of service, could have been the medium through which the government of Canada had transmitted to Newfoundland -

Premier Smallwood: The hon. member is forgetting the junior member is very very closely related in business with the senior member for Newfoundland. That is where the connection came from, apparently.

Mr. Higgins: If the hon. Leader of the Opposition will allow me, I am the one who has the floor.

Mr. Hollett: You have a change of heart.

Mr. Higgins: No, I have no change of heart. That brings me on, Mr. Speaker, to one other brief remark I wish to make. I hold no brief for the present administration of this province. I think my record, in public and in private, over the past 10 years, during the course of which I participated in three provincial and four federal elections campaigns as an active campaigner, will certainly substantiate the position, if I may be allowed, that I am not a blind follower of Mr. Smallwood. But, Sir, as long as that party — I don't care who is the government of Newfoundland, the fact that it so happens to be the present hon. gentleman who is the Premier, the fact that as long as he is the Premier it is ridiculous for people to suggest because there appears to be personal animosity between the Prime Minister of Canada and the Premier of Newfoundland, that is no justification for denying to Newfoundland what she is legally entitled to. Mr. Speaker, that is just as silly as to set up the position that if I owe Bill Jones \$50 I don't pay Bill Jones because I say, if I gave that to Bill Jones he would go and spend it and get drunk and his family would not get it. Is that any reason why I should not pay my debts? It is exactly the same situation. The government of Newfoundland is, we submit, entitled to certain benefits. These benefits, it would appear, as being denied us

because of the fact that there is some animosity between the two leaders of the respective governments. Now, Sir, I support this Resolution. I support it in full, in the knowledge and in the full belief that it is for the good of Newfoundland. I have no doubt at all, Sir, that the action taken by my colleague and myself of last week is not going to cause any loss of sleep to some gentlemen in another place. But, Sir, if it will help to arouse the conscience of Ottawa to the fact we in Newfoundland want to do our part, that is sufficient for us.

Premier Smallwood: Hear! Hear!

Mr. Higgins: I don't know what is to happen. If an election is called — I don't care. I can, thank God make a living outside this house, but as long as I am a member of this house, Sir, I am going to stand up for the rights of Newfoundland as I see them, in honesty and conscience; and the only stand anybody could take in this situation is to support the Resolution. Sir, it is an obligation we owe posterity and a tribute of respect to those who have gone before us. (Applause)

On motion the House recessed for 10 minutes after which Mr. Deputy Speaker took the Chair.

Mr. C. Sheppard (Harbour Grace): Mr. Speaker, I have much pleasure in supporting the Resolution as it appears here in printed form, wholly and completely. I grew up in an outport, and as far as I can determine from living there and afterwards working there, in the mind of an average Newfoundlander an agreement made between two parties, whether reduced to writing or not, is binding and final, and can only be altered by one with the express consent of the other. Mr. Speaker, I have often heard people say — we do not have a paper on our agreement — whether it be a deed to land or something like that. That, of course, refers to the fact that it has not been sent to St. John's and registered. When that was done, Mr. Speaker, nobody, but nobody, ever regarded that document as anything but sacred.

That is the issue that is before us now. Are the Terms of Confederation sacred or binding, or Sir, is it but a document prepared to hoodwink us into Confederation? Mr.

Speaker, it was never the intention, I contend, of the two contracting parties when they signed this document of Confederation, and it certainly never was the hope nor the wish nor could anyone envisage that one or the other of the parties would, without reference to the other, ever try to tamper with, alter, amend or throw out any part of these Terms of Confederation. We expected that all these terms would be honoured in spirit as well as in the letter. Today, Sir, we stand in this country feeling, the majority of us, that this is not so.

Mr. Speaker, we always have a tendency in Newfoundland to link years with disasters. We have the Year of the August Gale, we have the Year of the St. John's Fire, we have the year of the "Newfoundland Disaster", we have the year of the Wadhams and we even have the Year of the Bad Molasses, all depicting years when some disaster, something unusual, took place. And goodness knows we have had a lot of disasters strike us in this country. I wonder, Mr. Speaker, in view of what has happened this year with respect to Term 29 if this year will not be referred to by a name. We had another year Mr. Speaker, when a disaster happened, and it is called the Year of the "Southern Cross Disaster". I wonder, Mr. Speaker, if this year will not go down as the Year of the "Diefenbaker Double-Cross Disaster".

We have been told, Mr. Speaker, that we should not offend the Great White Father who sits in Ottawa. We should crawl on our hands and knees. It has been suggested we should accept, without complaint, these things which he now offers us in place of something which we have written into our agreement. Mr. Speaker, I am quite sure, at least I can speak for myself and I think this is the feeling of the people of Newfoundland, we have no intention of crawling anywhere, we do not intend to get our rights by wriggling and squirming and by agreeing with everything that is done, when we know that these things have been done in contradiction to the solemn and sacred promises made to us before we could ever change these things. We have also been told, Mr. Speaker, at least it has been suggested throughout this debate, that we are attempting to kill the goose that lays the golden egg. Mr. Speaker, that goose has laid no egg yet, let alone a golden one. It has sat on a nest for

a couple of years trying to hatch out the promises which were made.

Mr. Hollett: That is false.

Mr. Sheppard: Mr. Speaker, I think I possess average intelligence. I can read. I follow the press very closely. I followed the promises made in the last federal election. I for one cannot see any of these great visionary dreams coming to fruition. But with that, Mr. Speaker, I am not so much concerned. I am concerned with the position that this province of ours now finds itself in. Like many hon. gentlemen in this chamber, Mr. Speaker, I have in greater matters than this, because of my love for this country, been prepared to do a lot more than I am prepared to do over this Resolution. It is my opinion and it is my own opinion, Mr. Speaker, but I think it is the opinion of my district — I am not going to speak for Newfoundland but for my district — I think it is the opinion of my district that to do less now than to vote for this Resolution is an unpatriotic action. Mr. Speaker, as I started so I will end. I have much pleasure in supporting the Resolution as it appears here in the printed form, wholly and completely. (Applause)

Mr. I. Mercer (Fogo): Mr. Speaker, the purpose of this Resolution is to condemn the Diefenbaker government for cutting the guts out of Newfoundland and out of Term 29. Anything I may say now may be to some extent repetitious, but, Sir, I feel that this is of such immense importance to us in Newfoundland that we can never have too much repetition until this action of the Canadian government is stricken from the records. The Opposition, as I listened to their speeches and to the questions put by them to other speakers seem to me to be making two points.

Mr. Higgins: Which opposition is the hon. member referring to?

Mr. Mercer: I presume we would call them the two members of the Official Opposition. They made two points. They claimed, they argued at any rate, that because of the reference in the Bill to Term 29 and in the Act itself that therefore we will continue under Term 29 from the year 1962, and

secondly because of another part of the Preamble that in 1962 we may get even more than \$8 million per year. It seems to me that darn Preamble is causing more worry to the official opposition than Diefenbaker himself is causing them because of his action. This Preamble, if it is cleared up then I believe they will have to agree that there is no further substance in their arguments.

Mr. Hollett: Is it part of the Bill, the Preamble?

Mr. Mercer: They quoted the law correctly when they said a Preamble may be considered, for the purpose of explaining — that is correct. But please note this, Mr. Speaker, the words — "For the purpose of explaining" — in other words, there must be something to explain. It has been decided for centuries and for the benefit of the hon. member for St. John's South (Mr. Renouf) this is judicial — it has been decided for centuries by the courts, Privy Council, the House of Lords and the Supreme Court of Canada and as late as 1949, after we had signed the Terms of Union in connection with a preamble occurring in an Act between the Province of Canada and the Federal Parliament, that first of all you must consider the operative sections of the Act itself. You must not look at the Preamble — If a judge is convinced first of all that the section itself is not clear, that it has a double, a treble or some more meanings, then and only then is a judge allowed, and it is not a case of "may", then and only then is a judge "allowed" to look at the Preamble at all.

Mr. Renouf: What is the hon. member's authority on that?

Mr. Mercer: A case in Saskatchewan in 1949. That is the decision of the Supreme Court of Canada. In fact it is considered judicially illegal to look at any part of a Preamble unless there is first a conviction that the operative words of the sections of the Act itself are not clear. Now, therefore you have to look at the operative section of this Act itself. That says there shall be paid to the province of Newfoundland out of the Consolidated Revenue Fund in respect of the fiscal years set forth in this section ad-

ditional grants as follows — and names them out. What can be more clear than that? The language is all too clear. So that, from the legal point of view the Preamble is entirely out in this particular case.

I may be asked, well then why are the words there? Why is there any Preamble? That is a logical question and there is a logical answer, I think, Mr. Speaker, if you will look at any money Bill in any parliament you will find there are always recitals, whereas, all of which things are called a Preamble, because when the Cabinet decides that it wants authority to pay out money it makes up a Bill bringing it before parliament, and in order to explain why they are asking for it must give some kind of reason. Now the Bill itself in cabinet might have taken several days discussion. You cannot put all that in the Act itself. So, in a few brief whereases they say the reason is so-and-so. It is done in this very Bill — where it says "Whereas Term 29 authorizes the appointment of a Commission....Whereas that Commission was appointed....Whereas that commission recommended certain things — Now therefore we are going to ask you for authority to pay out money for a certain number of years."

Mr. Hollett: What about — Whereas in the course of such, a certain review?

Mr. Mercer: That is the second point made, which I shall come to in a moment. So they gave their whereases. That is the only purpose of this Preamble as far as it has any reference to Term 29. If they were going to put in writing any reason for paying out money from the federal treasury, they had perforce to refer to Term 29, and for that reason only, and not for the purpose of explaining any clause, because there was nothing to explain.

Now, the second point that they made was that because of a certain Preamble, which the hon. Leader of the Opposition referred to a moment ago, our position might be better in 1962 than the \$8 million — But it says; "Whereas" since the report of the Royal Commission was made the Government of Canada has proposed a comprehensive study of dominion-provincial financial relations in co-operation with the provinces, and all the provinces have agreed to participate therein; and "Whereas

in the course of such a review any special circumstances relating to the financial position of the province of Newfoundland after the thirty-first day of March, 1962, would be taken into consideration..."

Mr. Hollett: Is not Term 29 a special circumstance?

Mr. Mercer: Now please note that word, the "financial" position of the province of Newfoundland would be taken into consideration — they are referring to the fact that they have already, previous to this Bill, agreed to a conference between the provinces. They do not say "Whereas Newfoundland's position will be taken into consideration because of Term 29" — but "Whereas Newfoundland's position would, in that conference in 1962, with other provinces be taken in the same way as all the other. It is not that it "would" be but that it "will" be. Something which is past confirms a right already existed months before. They passed this Bill. That is all that section does. They do not create. They refer to what has happened, regardless of any recommendation of the Royal Commission or regardless of Term 29.

Mr. Hollett: Plain politics.

Mr. Mercer: And I believe anyone who wants not to be one-sided, who wants to look at the over-all picture clearly, would look at that as I am reading it now.

Mr. Hollett: Would or will?

Mr. Mercer: Would. And I believe the people will. Mr. Speaker, on the judicial decisions on Preambles as in this Act, and on the judicial meaning which any court would give to the other parts of this Preamble, I challenge any lawyer from here to Vancouver to put up any legal argument different to what I am arguing.

Mr. Hollett: Challenge the people, never mind the lawyers.

Mr. Mercer: Challenge the lawyers. And I believe I am confirmed in this position by the resignation of 50% of the Tory members of this house. For example, before there was any idea of the two hon. gentle-

men to whom I refer resigning, the hon. member for St. John's East (Mr. Higgins) immediately after this came over the air, the night of the day on which it was first published (in the Canadian parliament) the hon. gentleman made a public release wherein he said he thought from what he had heard that there might be some softening up. I am not sure these were the actual words, but that was the impression of his release — it looked from what he had heard that there might be some softening up of the attitude of the Tory government at Ottawa, but of course he would have to consider it when he saw it in more detail.

Mr. Hollett: May I ask a question?

Mr. Mercer: No. I have only 10 minutes. He then discovered, as we all did, there was actually no difference in the Bill itself, and what was said by the Prime Minister last March. Mind you there was a difference to this extent that they dragged in this reference in the Preamble. But that is only a fabrication, a distortion, and I believe that the Tory party — I am not sure the Tory party in Canada is doing it — The Tory party of this house are now distorting this.

Mr. Hollett: We are not afraid of questions on this side like you are.

Mr. Mercer: In order to take away from the Prime Minister's statement of March 1959, it was mentioned, Mr. Speaker, I believe by the hon. and learned member for St. John's South (Mr. Renouf) that the speeches in this house were only stirring up hate against other Canadian citizens. I think there is nothing further from the truth than that.

Mr. Renouf: I did not say hate, only emotion.

Mr. Mercer: Emotion. Well, emotion leads sometimes to even worse than hate. I don't think anything could be further from the truth. In fact I believe, unwittingly, the hon. and learned gentleman himself would be stirring up emotion by having referred to the result of this discussion here as having been an attempt to stir up emotions. I have heard the Premier of Newfoundland repeat publicly, over and over again, that all we wanted in Newfoundland was for the

Canadian people to understand our point of view. Sir, we are not doing it. Personally I don't blame any Canadian citizen, I do not even blame most of the legislative representatives of the Canadian parliament, I do not even blame most of the present Tory cabinet. I think it is no secret that any Bill which comes before parliament is first brought into cabinet by one, two or three members of the cabinet, discussed in cabinet, formulated into a Bill, passed upon by the cabinet. But if it is for something that is no concern of John Jones, although a member of the cabinet, when it is not doing any harm he voted in line with other members of the cabinet. I believe that is what most of the cabinet did in regard to this Bill. Then, when it goes before the house, the House of Commons in Ottawa, it is brought in as a "party measure" and the backbenchers have no right to object unless they want to do what the two hon. gentlemen did in this house, resign from the party. In this case, I feel certain the Minister of Justice must have been consulted, and I feel certain the Minister of Finance, since he was the one who had to pay out the money, would be consulted. There must be some architects behind any Bill and I feel certain that the member for the cabinet, without portfolio, representing Newfoundland, would be consulted and obviously the first minister, the Prime Minister, would be consulted. I think they were the four architects of this Bill. There has been so much distortion and fabrication that I think, just as the United States have their Federal Bureau of Investigation, Canada now has its Federal Bureau of Distortion and Fabrication, the "FBDF".

Now, the other point made by the hon. member for St. John's South was that we should be nice in this particular situation, we should not be too harsh with Mr. Diefenbaker, we should wait and see. I remember in April when the Premier of Newfoundland said in this house; "let us try not to have any more talk here about Term 29 at this point. Let us be quiet about it, let us be nice because I believe the Diefenbaker government is going to give us better consideration than his statement showed on March 25th". That in itself prevented me from making any contribution whatsoever to the budget debate in this house this year, and I believe it also so prevented a number of

other persons. I wanted to refer to it most particularly but the Premier had said — "let us be nice, be quiet". Now the Premier must see the error of his ways in stopping us from being harsh then, but the hon. gentleman from St. John's South is still asking us to be nice, not to be harsh.

Mr. Hollett: You are going to get tough now, are you?

Mr. Mercer: No, I merely say that I felt then and I said then, and I repeat now, most of the things I am saying now, Mr. Speaker, I did not have to wait to say until I came into this session. I said it long before we came into this particular session — I could not believe that Mr. Diefenbaker was going to change his statement of March 25th, because, as I say, I believed then and I say now, our man of vision of 1957, man of vision and promise of 1957-58 has now become the 59th victim of amnesia. He was a man of the people, they said, in 1957. Personally I think he has become a despot. They say he was a man of destiny. In two short years he has become a man of discretion. He was hailed in 1957-58 as a crusader, now he has become a crucifier. An hon. gentleman from the official opposition referred to the speech, I am not sure it was Mr. Fleming or Mr. Fulton, at any rate one of the FBDF, where in some part of his speech he sarcastically said, with regard to Newfoundland that "the chickens are now coming home to roost". It may be so, but insofar as they are concerned, and as far as Newfoundland is concerned, in this particular Act it is the body of Newfoundland which is being plucked. In fact the Premier referred to this FBDF as cutting our throats. I go further and say that through the slit in the throat of Newfoundland caused by the FBDF they are now by this Act of Parliament attempting to disembowel us.

Mr. Hollett: Shocking.

Hon. Dr. J. McGrath (Minister of Health): Mr. Speaker, I too rise to support this Resolution. I do not intend to say too much about Term 29. A good bit has been said about it already, but it would obviously be impossible to speak to this Resolution without saying something about Term 29.

Now, the thing that strikes me about Term 29 is not the legal interpretation laid before the house so very completely and very authoritatively and very exhaustively by people more competent to judge it from that angle than I am, but the plain meaning of the Term, the plain meaning of the way in which it will be read by ordinary people of Newfoundland, and ordinary people of Canada. It is a curious thing about this mysterious Term that nobody, for ten years, had the slightest difficulty in understanding what it means. It was understood at the time by the negotiators on both sides in Ottawa, by the press of Canada, and understood by the press and people of Newfoundland, and was clearly understood by everybody who had the slightest interest in this subject and took the trouble to read the Term. Now, 10 years afterwards we suddenly find this piece of plain, quite easily comprehended piece of English so mysterious, meaning something entirely different from what everyone for 10 years thought it meant.

The hon. member for St. John's South (Mr. Renouf) speaking here in this house the other day, referred to the confusions that surround Term 29. Now I can't really believe anybody can seriously think there is any confusion surrounding Term 29. It simply says and simply means, quite clearly and plainly, that as long as Newfoundland needs certain assistance to keep its public service up to a certain level, to be ascertained, the levels attained at a certain time, that assistance would be forth coming.

Mr. Hollett: It does not say that at all.

Dr. McGrath: I am sorry I must disagree. That is what it says.

Mr. Hollett: Read it.

Dr. McGrath: There is no need to read it. Everyone knows what it says and what it means. As I remarked, the meaning is perfectly clear — everybody knows what it means. Very good — I now see the hon. gentleman has some trouble about that — he is not too happy about the situation. There is no confusion there. That is clearly what it means, and the confusion has been brought into it by people who wish to have confusion. The complaint that was a confused Term reminds me of a story told me

once — a legal anecdote told by the late Judge Higgins. Appearing before Judge Kent, his opponent made reference to what was called an obscure legal point, and Judge Kent said: "I can't see how you can say that. This seems perfectly clear and completely without complications" — And the opposing counsel said: "if you listen to me for three minutes I will make this as obscure to you as it is to myself".

Mr. Hollett: That is what the government is doing now, but it is taking them a week.

Dr. McGrath: Now the question is this. The meaning is absolutely clear, was clear to everybody 10 years ago and the confusion has only been imported into it recently, and I am convinced the clear meaning of that Term will be and is clear to everybody in Newfoundland no matter what twisted and tangled tom-foolery is brought into it by certain people in Ottawa and, I regret, by two people in this house.

Mr. Hollett: If it is so clear, why pay men \$250,000 to make it clear?

Dr. McGrath: Simply because of the confusion brought into it. Will the hon. gentleman permit me to speak. I only have about 10 minutes. I propose to speak. He seems to want to interrupt anybody on this side—he had a clear passage himself.

Mr. Hollett: Oh, yes, undoubtedly.

Dr. McGrath: Now the whole point is this: Are we to be expected, when a written clause in a treaty is torn up and cast aside, to take some vague proposition instead? Glancing back into Newfoundland History, this story I am sure has been heard many times — There was a man from England, I think, MacClair? came to Newfoundland and did extraordinarily well out of the Newfoundland people.

Mr. Higgins: From Scotland — One of the founders of the BIS.

Premier Smallwood: Could not be a Scot.

Mr. Higgins: He went back to Scotland — One of the first presidents.

Dr. McGrath: Well, the point is interesting. It was a classical story: Leaving the Queen's Wharf, after having made a large fortune by exploiting the people he waved his hand and said "Good-bye, fools".

Premier Smallwood: He put it stronger than that. It had an adjective in front.

Dr. McGrath: I have no doubt we have our share of fools in Newfoundland — but I don't think the plain people of Newfoundland are foolish enough to accept the suggestion that we throw away a written guarantee for a mere promise and such a promise.

Now, at the time of Confederation, the successful fight for Confederation, a lot of people who were not anti-confederate were very concerned about the Terms of confederation and a lot of these people felt the Terms as we saw them could be better. But most of them felt much happier in their minds when they saw Term 29. They felt Term 29 would provide for the future of Newfoundland if there was any need to provide for it. But I am sure not the harshest critic of Confederation, the man who even hated Confederation and the man who brought in Confederation, not even these people believed for one moment that Term 29 would be repudiated and completely repudiated in Ottawa the first time it was needed. That is what has happened.

The fact that the two gentlemen opposite me, now the "unofficial opposition", found it necessary to leave their party, I think, is a pretty clear demonstration of what clear thinking people thought of this whole situation. Because, as we all know, the cold-hearted art of politics is the art of compromise, the art of politics is the knowing and being willing to subordinate to some extent your own wishes, opinions and desires, to the group opinion so that public business may be carried on. No government could carry on if every minister went his own way, every member of the government going his own way. They have to strike a common acceptable denominator. I think it is only common sense. Politicians as a class do tend to compromise and tend to be tolerant. But these two gentlemen found it necessary to leave their party. They did not leave it in a hurry. One of them is a lawyer of great experience, and very suc-

cessful in his profession, and the other a businessman of great experience and great success in his chosen profession. He did not have much experience in politics as some here, but he certainly gained a lot of experience recently and these two gentlemen found it necessary to leave. If the situation were tolerable at all, I believe they would not have left. If they could have stood it, they would have stood it, because they had to leave a lot of things, a life-long association. Nobody likes that. They had to leave friends. They had, to some extent, to go back on the faith they had in some of the leaders of the great nation of Canada. And the only reason they left is because it could not be tolerated. They reached a point where they said — "We cannot accept this and have clean hands and a clean reputation and therefore we must leave".

Mr. Hollett: That is the only reason that you know.

Dr. McGrath: Will the hon. Leader of the Opposition refrain from interrupting me? I don't speak very much and I don't think I tire people too much, and I think I should be allowed on this occasion to speak without interruption.

Mr. Hollett: I have to interrupt sometimes. I get interrupted occasionally.

Dr. McGrath: Let us remember this. During this debate in the House of Commons when Mr. Carter got up to speak for Newfoundland he was laughed and jeered at; according to newspaper accounts he could hardly be heard. Now I do not know who made the interruptions, but I am quite sure the newspapers did not make them. How any group of people could indulge in laughter when the rights of a small province were being trampled under foot, and a man representing it was trying to speak up for it, when others who should were not willing to speak up. I do not know who did the laughing, but I think I can say those who did not. Mr. Diefenbaker, I am sure, did not laugh. I am quite sure he saw nothing funny in the fact that, in Newfoundland, his word and promise are but ashes, and the message goes out over the coves and valley and hills of this country — that his word is but ashes and his bond but wastepaper. I am sure the Minis-

ter of Health, both a gentle and kindly and decent man, did not laugh at the thought that in Newfoundland outports women and children may die because of the fact Newfoundland is deprived of funds due. In a few years time we may not be able to keep up health services. I don't believe McGrath nor Browne laughs knowing what they had to face when they come back to Newfoundland and explain to the people of Newfoundland why they remain silent, when this country was being deprived of its rights. I bet they saw nothing funny. There is one funny thing yes and it caused very sardonic laughter on my part, when we saw that immediately after the Newfoundland Bill the next one brought into the house was one to provide for the humane slaughter of animals. Now, the Premier in his speech referred to the fact Term 29 was punished and butchered. It was, and it makes one wonder why they took the trouble to separate the two Bills. Obviously because the word "humane" would be completely out of order in the Newfoundland Bill, which had just been passed.

The hon. member for St. John's South said that it should be considered in a spirit of calm reflection. Now, as he is supporting Mr. Diefenbaker's attitude, I can quite see why it is very easy for him to be calm, but it is not so easy for the persons on the side of the people losing their rights to be calm. I don't mean to refer to Diefenbaker as a burglar. A burglar comes into a house and could be calm but the householder could, I think, be reasonably allowed a little agitation or protest. The reason we were overselling Term 29 — I am not quite sure what that means, "overselling". But there is no doubt that certain people are very willing to buy very cheaply at the present time if they were able to get it. They never will get it as long as voices can be raised in this house. What the Prime Minister said was plain enough, and no amount of argument about what is in the present Bill or is not will change it. He simply said; "Newfoundland's rights under Term 29 would terminate in 1962". And the terms he used were quite plain. What he said is this — "I am bringing in a Bill and it will be in final and irrevocable settlement" and when he does we in Newfoundland have no security under Term 29. Another thing was said that we, in sticking to Term 29, want to tie this country to \$8 million a

year. Now that is the silliest thing I ever heard. There is no such suggestion at all. What we want to do is this — We want to have a guarantee Newfoundland can depend on. That is all that is meant by sticking to Term 29. We have something as a right and not as a gift. The hon. Leader of the Opposition said in his speech that all that was necessary has been put into Hansard. Now the only thing that has been very clearly put into Hansard was the Prime Minister's phrase about "final and irrevocable".

Mr. Hollett: No! No! That is not being fair. And he knows it. He does not want to be fair. Not a man on the other side wants to be fair. Dirty, filthy politics.

Dr. McGrath: See, the hon. gentleman is angry every time. Everytime I say anything it angers and concerns him. I am glad to see it. The fact it concerns and bothers him is to his credit. Now the hon. gentleman from St. John's South (Mr. Renouf) does not get angry. He is quite placid and he is quite calm and he is quite bland about it, and blandly and blindly quite willing to follow the Dalai Lama, Mr. Browne, willing to follow him, I say, to the oblivion that the people of this country is preparing for both of them.

Mr. Hollett: That is not nice.

Dr. McGrath: It is not meant to be nice. He also told a touching story about the boy worried by a problem, and he settled the problem for him. I experienced a somewhat similar situation, but it was not a bewildered school boy but a grown and experienced man, sick in hospital. When I asked him how he was, he said: "I am very well but I do want to speak to you". This man was barely out of the valley of death and had the shadow still on him. What he said was: "You people down in the House of Assembly don't seem to appreciate the basic facts which appeal to most of Newfoundlanders more than anything else, the treatment we are getting in Ottawa. It is not something that originates in a matter of dollars or this or that concession, to replace Term 29. The thing to think about, Newfoundland has been done an intolerable unbearable wrong and we should not take this wrong, we should never take it".

Now I only have a few minutes and have pretty well reached the end, I want to say this: We feel that it is wrong, it is a wrong we will never submit to. And remember that we have been wronged in two ways as Newfoundlanders. We have been injured, deprived of a right, but we are not only Newfoundlanders, we are Canadians, and as Canadians we share both in the honour of Canada and its dishonour. And we have been, by the abrogation of Term 29, injured as Newfoundlanders, but we have been dishonoured and degraded as Canadians, because we must not forget this great Land of Canada is not only their country; it is our country as well as theirs. The injury to Newfoundland has been great and nobody in Newfoundland, with the possible exception of three gentlemen (from their own statements they are excepted) nobody in Newfoundland would be willing to sit down under this until the injury inflicted on Newfoundland has been undone, and the dishonour done to Canada wiped out and wiped out forever, wiped out to the point that never again, we hope, will it have to be a subject of discussion in this house or any other house. Mr. Speaker, I support the Resolution.

Mr. M. Lane (White Bay South): Mr. Speaker, I am very conscious of what I am about to do. I have searched my soul and I have given this a lot of thought, and I can do not other than register this protest against the injustice done to Newfoundland, or what I consider an injustice — and I must rise to strongly support the Resolution now before the house.

The one man who has helped me to come to this decision, Sir, is no less a person than the Prime Minister of Canada himself. Mr. Speaker, words are wonderful things. They are vehicles of expression by which we convey to others our thoughts, our wishes, our desires, our determinations, and very often by the use of words we give expression to even our personalities. And I am fully convinced, Sir, the words the Prime Minister used on the 25th of March were used for one specific purpose, and that was to convey to the government of Canada and the people of Canada his desire, intention and determination to bring about the death of Term 29.

I am not only speaking to this house. I am

speaking to Newfoundland and speaking to a crowd of common Newfoundlanders the same as I am myself. I am proud to have come from common stock. We have heard a lot about honour. The word irrevocable means simply — unchangeable, unalterable, like the law. It means — not to be changed. And I give the Prime Minister of Canada full credit for having the intelligence of knowing, when he used that word, he meant what he said. But the Prime Minister did not stop there. And I thank him sincerely for his admission in the next sentence, and that was this — The contractual obligation — And here the Prime Minister of Canada, as far as I am concerned, confessed that Term 29 was not anything less than a contract.

Now I have gone to some lengths to look up the meaning of that word "contract" and this is what I find from the greatest authority in the world, that a contract is a mutual agreement or covenant between two persons or parties, in which each party binds himself to do, or forebear from, some action and each acquires a right to what the other promises. And I contend, Sir, that the government of Canada promised Newfoundland a right when they accepted Term 29, but that the government of Canada destroyed that right when they tried to destroy Term 29. But the Prime Minister of Canada did not end there. He went a bit further, and when he destroyed that right he offered us a substitute, a substitute that cannot be accepted by any Newfoundlander, I submit. The substitute is this, and I am very careful of one of the words in this substitution, and I hope every member in this house takes notice of this word — "On conclusion of the payment of March 31, 1962, which carries with it the conclusion of the present five year fiscal arrangement between Canada and the Province of Newfoundland, the position can be considered in the light of" — In the light of what? The general methods, not anything special, no Term 29 but just the general method — he spelled it out — just the general method of providing financial assistance to the province which may be in effect at that time.

Mr. Speaker, I think it was my hon. colleague, the Minister of Fisheries (Mr. Cheeseman) who, some days ago, said that Term 29 is the "sheet anchor" of Confederation. At the moment those words came out

of the mouth of the old master-mariner, I knew full well what a "sheet anchor" means — it is the one and last refuge at a time of stress of weather which prevents a ship from going ashore and going to pieces. And I submit, Sir, as a master mariner, I would be crazy to take men on my ship and go to sea without such anchor, and I submit the Premier of Newfoundland, the captain of this ship would be just crazy to try to run Newfoundland (and I don't say that disrespectfully, Sir) I say and repeat, would be just as crazy to try to run the ship of Newfoundland without Term 29. Don't let us ever forget the Premier is the captain, his cabinet there are the officers and the rest of us ordinary seamen, but it takes us all to run the vessel. And may I suggest we cannot nor should not try to run the ship, with 435,000 to 450,000 souls on board, without the security of the anchor of Term 29. If somebody tried to destroy our industrial anchor, would we ever kick? And if somebody dared to try to destroy our spiritual anchor would we ever kick? And I submit we have every right in the world to kick just as hard when somebody tries to destroy an anchor of this kind.

Now, Sir, our hon. friends on the other side of this house requested us to have a little patience and have confidence. I confess frankly that I have a lot of respect for the Prime Minister of Canada. I have watched him on several occasions when he came on T.V., with my fellow Canadians, and I have said to myself and to others — This is the man of the hour — But when I had to sit in this house just a short time ago and see every member of this house register their protest in no uncertain terms against the treatment that we are receiving from the government, of which he is the head, then I began to lose faith and that faith has never been restored and will not be restored until Term 29 is restored and put back on the Statute Books of the government of Canada. Mr. Speaker, I support this Resolution, and I suggest that, if the government of Canada would be more in keeping with the dignity and honour of British and Canadian justice they would assume a more dignified and more statesmanlike attitude towards Newfoundland, an attitude that would give us some justification for the expressions of allegiance to Canada, instead of day by day being compelled to look upon

the Canadian government with an increased feeling of mistrust, which is in the heart of almost every Newfoundlander today. I support the Resolution.

Mr. Hollett: Nonsense! Nonsense!

Mr. Speaker: Order! It being now six o'clock, I do leave the Chair until eight o'clock this evening.
The house stands adjourned until eight o'clock this evening.

July 27, 1959

Night Session

The house resumed at eight o'clock.

Mr. Speaker: in the Chair.

RESOLUTION: TERM 29

DISSOLUTION OF THE HOUSE:

Hon. J.R. Smallwood (Premier): Mr. Speaker, the Resolution which we have been debating in the people's house for just about a week now reads as follows, and I quote it exactly as it appears:

"This House affirms the following statement of facts:

1. Term 29 is an indispensable part of the terms under which Newfoundland abandoned her ancient and honourable independence within the British Commonwealth to become a Province of Canada;
2. Term 29 was accepted and adopted by the Parliament of Canada, the Parliament of the United Kingdom, and the duly constituted authority of Newfoundland.
3. Term 29 is embodied in the British North America Act, forms part of the Constitution of Canada, and by Canadians in general, and Newfoundlanders in particular, must be considered to be as sacred as any other clause of the Constitution;
4. As Term 29 forms part of the Terms of Union, which Terms were negotiated and signed by Canada and Newfoundland jointly, no change should be made in it except by joint decision of Canada

and Newfoundland through their properly constituted authorities, and Newfoundland's rights under this Term should not be ended, amended or reduced without Newfoundland's consent freely made and freely given;

5. Term 29 provided for the continuation of Newfoundland's public services as they were found to be when the McNair Royal Commission made its report and recommendations. This continuation of the Province's public services is to be paid for by the Government of Canada, after the people of Newfoundland have borne to the Government of Newfoundland at least as great a burden of taxation, having regard to their capacity to pay, as the people do in the hereby Maritime Provinces, and this is to be done without qualification, and without limit of time;
 6. Term 29 is not for the purpose of dealing with the matter of making Newfoundland's public services as good as those of the Maritime or any other Provinces, but deals only with the continuation of Newfoundland's public services as they were found to be by the McNair Royal Commission;
 7. Term 29 is not for the purpose of providing for any improvement in the levels and standards of Newfoundland's public services, as they were found by the McNair Royal Commission, but only with their continuation;
 8. Term 29, and its strict and honourable enforcement, does not, and was not intended to, deprive Newfoundland of any grants or other forms of assistance made generally available to all or any number of the other Provinces of Canada, and does not in any sense or degree reduce Newfoundland's general rights as a Province of Canada;
- This House notes with deep regret that the present Government of Canada through the announcement of the Prime Minister, and the legislation recently enacted, have, without the consent of this House or of the Government of this Province, decided that the sacred rights provided by Term 29 shall become null and void after 1962.
- This House affirms its deep loyalty to the union of our two countries (Canada and Newfoundland), to the terms of that union as they are written into the Con-

stitution of Canada, and in particular to the rights solemnly provided for Newfoundland in this Term. We cannot regard any legislation unilaterally adopted by the Parliament of Canada, or any oral or even written assurances of individual Ministers of the Government of Canada, as a substitute for Canada's Constitution itself. As the elected representative of the people of Newfoundland we will strive by all proper means to procure in the Parliament of Canada, which is our national Parliament, the unequivocal acceptance of Term 29 as a solemn and abiding guarantee of the rights of Newfoundland, for which there can be no substitute.

Our rights have been invaded by the Government of Canada, and we will not cease our resistance until these rights have been fully restored."

Mr. Speaker, that is the Resolution that we have been debating here in the people's house for the past week and it is on this Resolution this statement, as it says, of facts, that we will shortly vote, tonight in this house, and it will be admittedly one of the most fateful votes ever taken inside this Chamber, one of the half-dozen most fateful votes ever taken inside these walls. Now, before I come to answer the principal arguments of my hon. friend, the members of the Official Opposition, there are one or two remarks that they have made that I think I should first answer, before coming to the main body of their argument.

For example; The Leader of the Opposition deplored my remarks in my presentation a week ago, deplored my remarks about the Prime Minister, Mr. Diefenbaker. He thought, he said, that no cabinet minister in this house, this province, should say such things about the Prime Minister of Canada. What a short memory the hon. gentleman must have, or how ready we must be to defend Mr. Diefenbaker and how willing he must be not to defend me against a brutal attack made upon me by that same Prime Minister?

Hon. M.M. Hollett (Leader of the Opposition): There you go again!

Premier Smallwood: The brutal attack made upon me by the Prime Minister of Canada was made in the House of Com-

mons on March 10th., when Mr. Diefenbaker, wrongly and unjustly, accused me, the Premier of Newfoundland — he did not use my name. He did not say "Smallwood", he said; "The Premier of Newfoundland has greatly aggravated the violence in the IWA strike." And before all the nation, all the people of Canada, our Prime Minister, the leader of our nation, in our national parliament, blazoned my name forth as the one principally to blame for the violence in the IWA strike. Now, there may indeed be a few criminals in Newfoundland, a few gangsters who would agree with the Prime Minister in that statement, but beyond that handful of criminals and gangsters, no one in Newfoundland believed that the Prime Minister was right. But that did not stop the Prime Minister from blazoning my name before the whole nation, that this ghastly violence that was raging in Newfoundland had been caused largely by me. And if the house wants his exact words I have them here.

Mr. Hollett: Let us have them.

Premier Smallwood: "I feel impelled to say," he said, "that the Premier of Newfoundland has greatly aggravated the present situation in that Province by intervening in the labour dispute in a way which apparently goes beyond the usual role of government." Now what was I doing? Trying to maintain law and order. "The result," the Prime Minister went on to say, "the result as might have been anticipated, has been a violent reaction on the part of the workers concerned." This is the same man.

Mr. Hollett: He is entitled to his private opinion.

Premier Smallwood: That is not a private opinion. That was the opinion of the Prime Minister of Canada, expressed in parliament, publicly as Prime Minister of Canada.

Mr. Hollett: He had a right to do it.

Premier Smallwood: Alright, he had a right to be wrong. He had a right to make a vicious attack on me. But his representative in this chamber comes to his defence because I have voiced a strong opinion about him in this chamber.

Mr. Hollett: Not the IWA strike — Why bring that in?

Premier Smallwood: If the hon. gentleman can't follow my argument I regret the fact. I can explain a thing to him but only the Good God in Heaven can give him the brains to understand when I do.

Mr. Hollett: That is the sixth time you said that in the house.

Premier Smallwood: I say it again.

Mr. Hollett: All right say it again.

Premier Smallwood: That same hon. gentleman who refused quite blankly to send police to Newfoundland in our hour of need.

Mr. Hollett: Let us get on to the Resolution.

Premier Smallwood: If the hon. gentleman will allow — I am speaking in my own way, in the way I wish to speak and not in the way in which he wants me to speak. In the current issue of "Time Magazine" I find this statement.

Mr. Hollett: We all read that.

Premier Smallwood: "A loud public quarrel with Newfoundland's prickly Premier, Joey Smallwood, trapped Prime Minister Diefenbaker into his first major clash with his own Cabinet. When Smallwood demanded additional RCMP forces to quell a loggers' strike, Diefenbaker recalled depression — era; head — bashings in Saskatchewan labour disputes, and against the advice of a Cabinet majority, refused to send more Mounties."

This is the hon. gentleman whose word we are asked, in this chamber, to accept and asked by the Leader of the Opposition to accept. The hon. and learned member for St. John's South makes an eloquent plea here that we should be calm and patient in this matter — "patient" "patient". When the McNair Royal Commission made their report —

Mr. Renouf: I did not say patient, I said calm and common sensed.

Premier Smallwood: The hon. gentleman also said patient — When the McNair Royal Commission made its report and submitted it to parliament we sat sick at heart in Newfoundland waiting on the Hon. the Prime Minister until he condescended to table that in the House of Commons, and again and again and again he was asked in parliament when he was going to table that. And he said to himself: "You will jolly well wait, you in Newfoundland, until I am pleased to table it." It was finally tabled. Then what happened? We sent him a telegram from this chamber — and he replied to that alright! I waited and waited and waited and we waited three months, nine months, twelve months and were waiting until a couple of days ago — patience?

Then, after all our patience, the Prime Minister brings his Bill into the House of Commons, and in the dying days of a long session, which opened in January, in July — he received the report last fall, and in July after it cost our Treasury \$600,000, over \$500,000 in interest on the money they owed us. In July, in the dying hours of the Parliament of Canada, he introduced this legislation. And he did it unprecedentedly, or at least almost unprecedentedly, certainly a very unusual thing, rushed the Bill through in one day in the House of Commons and so prevents discussion and prevents debate — Then we are asked to be patient and to be calm. Mr. Diefenbaker delayed the matter, he procrastinated, he postponed, and while he was doing that he let us, by his silence and otherwise, believe he was going to raise the matter. Now, if the house doubts that here is the evidence: Here is the very telegram we sent on Sept. 3rd., moved by me in this chamber and seconded by the Leader of the Opposition. We sent this to the Prime Minister. This was passed in this chamber unanimously, after I moved it and the Leader of the Opposition seconded and every member of the House voted for it.

Mr. Hollett: Not every one.

Premier Smallwood: Every member present. Nobody voted against it. Every member present voted for it. There might have been somebody absent from the chamber at the moment.

"The House of Assembly cordially welcomes the announcement of the Prime

Minister, Rt. Hon. John D. Diefenbaker, made in The House of Commons on August 15, 1958, that the Government of Canada would not accept the recommendations of the Royal Commission on Term 29 until they have had opportunity to give the matter more careful study. The Prime Minister's announcement is all the more welcome to this house because of the reason he gave for it, namely, that there appeared to be dissatisfaction in Newfoundland with the size of the amount recommended. This house declares its warm appreciation of the Prime Minister's stand and expresses the hope that it will result in substantial increase in the size of the amount ultimately to be paid to this province on a lasting basis.

In the meanwhile we urgently request the government of Canada to seek without delay the necessary parliamentary authority to pay to Newfoundland in the present session as an interim measure at least the amount that has been recommended by the Royal Commission. This would enable the public services and public works of the province to be continued this year without interruption or reduction and thereby prevent immediate widespread unemployment, and would provide ample time before the next session of parliament for the Prime Minister and his colleagues in the government of Canada to give that further study announced by the Prime Minister."

That is the reason he gave for delaying the decision. If that were not leading us to think he was going to raise the amount, what does it do? And after leading us along like that for practically 12 months he brings in a Money Bill, to get authority to pay us, in the dying hours of the House of Commons, on the last three days of its life, in July, after it had been in session since January. But no matter, no matter — The same Rt. Hon. gentleman who was defended in this chamber by our hon. Leader of the Opposition, the same hon. gentleman who refused to send us the police we needed in our hour of need, accused the Premier of Newfoundland of having caused this violence in this labour dispute with the IWA, who tore up the contract with the RCMP and tore up the contract with the Newfoundland govern-

ment with regard to housing, and then violate Term 29, but the hon. gentleman still stands here and defends him — "Though he slay me yet will I trust him." There is no limit to the amount of trust the hon. gentleman gives to Mr. Diefenbaker. No matter what Mr. Diefenbaker does, the hon. leader says — "Trust in Diefenbaker! He is above reproach."

Mr. Hollett: The people of Newfoundland will trust him.

Premier Smallwood: Yes! Yes! They have never done it yet. When all Canada did Newfoundland did not. Newfoundland has less reason now for trusting him than it had two years ago — not more, but much less, as all Canada does too.

Mr. Hollett: Wait and see.

Premier Smallwood: We will see. Now, Mr. Speaker, there is one thing that has come out very clearly in all this — The Diefenbaker government don't like Term 29. They don't like it. To start with, when Mr. Diefenbaker first set foot in Newfoundland, for the first time in his life, when he came here two years ago, he got off the aircraft at Torbay. I happened to be out there to meet somebody else and it so happened that I was the one who walked out to the aircraft and stood at the foot of the ramp, and as he came down the ramp I was the first person on Newfoundland soil to reach out the hand of friendship and welcome to him and say — "I welcome you to Newfoundland." That night he was on TV. He was interviewed by Mr. Jamieson who asked him what he thought about the Royal Commission, the McNair Royal Commission, just named, appointed by the government of the day.

Mr. Renouf: Did he put a letter in his hand at the same time?

Premier Smallwood: I don't know. I was not there. He asked Mr. Diefenbaker what he thought of the Royal Commission — and Mr. Diefenbaker shocked and shamed his friends in Newfoundland and humiliated them by showing clearly he did not know what he was talking about. He said "What Royal Commission? Nonsense about a Royal Commission — a waste of time —

trash!" — nonsense, or words to that effect, showing he did not know there was supposed to be such a Royal Commission.

Now, besides not liking the Royal Commission the Diefenbaker government clearly do not like Term 29. Mr. Fulton showed it when he was here. Mr. Fulton was rather shocked when it was suggested to him that Term 29 provided Newfoundland with certain special rights and that these rights should last as long as the Canadian Constitution would last. He showed some shock about that — He said to me: "Do you seriously mean that"? Now, this is the Minister of Justice of Canada, the Attorney General and Minister of Justice of Canada, who should be an influential man in Canada's cabinet. "Do you seriously suggest the right Newfoundland has under Term 29 is to go on indefinitely?" I said: "Indefinitely." And a look of absolute incredulity came over his face. I hastened to say — No, before I said anything, he said to me — "Have any other provinces got special rights like that, indefinitely?" I said, "yes." He said: "Would you mind giving me an example?" I said: "I would be glad to." British Columbia is the first one I would cite to you. British Columbia happens to be his province, the province he was born in and represents in the cabinet of Canada. I said: "The price offered by Canada to British Columbia to come into the union, become a province of Canada, the price offered was that Canada should build a railway all the way across the prairies and the Rocky Mountains down to the sea-coast to connect British Columbia with Canada." It was a frightful price to extract, but the government of Canada agreed, and the railway was built. It took 10 years to do it and a tremendous sum of money for those days. It would not be regarded as quite so much today. And I said to him: "Mr. Fulton, according to the last reports I have heard that railway is still running. It has been running on for 100 years, and I assume it will be running another 100 years, unless railways go out of fashion. There is another definite, no cut-off for that special consideration given to your own native province." But Mr. Fulton did not like the idea of Newfoundland having special rights, as there are in Term 29.

Mr. Fleming did not like it. Now the evidence that Mr. Fulton did not like it is

hearsay. The house need not believe me. They can say I am making it up. The house was not present, and there is no way for me to prove what Mr. Fulton said or what I said to him. So leave out Mr. Fulton and come to the Minister of Finance of Canada, an important man in the Canadian government, and listen to what he said — and the house will find it in Hansard, Monday, July 13, an unlucky day for Newfoundland. Here is what he said: Page 5903: Monday, July 13: My honourable friend, the Leader of the Opposition I see is looking for it, Page 5903 — It is the first column at the top of the page. May I remind the house this is Mr. Fleming speaking, the Minister of Finance? "May I remind hon. members" he said (this is in the House of Commons) — May I remind hon. members that, apart from the constitutional subsidies, no other province, not one of the other nine provinces has anything in black and white beyond March 31, 1962, to define its financial relations with the Dominion." (That is the 80 cents a head in the Constitution of Canada, when it was formed in 1867) "May I remind hon. members that, apart from the constitutional subsidies, no other province — not one of the other nine — has anything in black and white beyond March 31, 1962, to define its financial relations with the Dominion."

Now, in case the house did not quite follow that — This is the Canadian Minister of Finance introducing this Newfoundland Bill in the House of Commons last week. And he said — I am reading enough to prove my point — what follows does not disprove my point.

Mr. Hollett: Be honest, Read the whole thing.

Premier Smallwood: "May I remind honourable members" (of the House of Commons) "that apart from the constitutional subsidies no other province — not one of the other nine — has anything in black and white beyond March 31, 1962 to define its financial relations with the Dominion; yet," (yet, he says) "yet, does anyone doubt that the honourable solutions of fiscal problems between the provinces and the Dominion after that date will be earnestly sought?" Now he asks a rhetorical question. Now just follow this, Mr. Speaker — just follow this — The Canadian Minister of Finance, taking

the place of the Prime Minister of Canada — because it should have been the Prime Minister who introduced this Bill, but it was not — It was the Minister of Finance — and speaking for the Government of Canada — speaking officially for the Canadian Government in the House of Commons Mr. Fleming said: "May I remind hon. members that no other province has anything in writing giving it any financial guarantee after 1962, but when it comes to 1962 does anyone doubt that we will deal fairly and honourably with all the Provinces of Canada"? Now, that is his argument. Now what does that refer to?

That refers to the fact that there is, between the Government of Canada and most of the provinces a tax agreement — a tax agreement. There is an agreement between the provinces and the Government of Canada, under which the provinces rent to Canada their rights to impose income tax and corporation tax — and they say to the Government of Canada — "You and you alone can collect these taxes in return for certain payments which you will give back to us." And that Agreement expires in 1962. And that is why 1962 has been chosen. It was said again and again. It was said by the Prime Minister of March 25th. The Prime Minister said on March 25th. The Prime Minister of Canada is speaking on conclusion of the payments as of March 31, 1962, which corresponds, I remind the house, with the conclusion of the present five year fiscal arrangement between Canada and the Provinces: — "Then Newfoundland's position" he goes on — "can be considered in the light of the general method of providing financial assistance to the province which may be in effect at that time." In other words: — "You Newfoundlanders, if you think Term 29 is going to give anything any other province had not got you are crazy. If you think you you are going to have any written rights after 1962 you are crazy. Again, if Newfoundlanders think they will get any payments under Term 29 after 1962 they are doubly crazy because other provinces have not got it and therefore you are not going to have it and are jolly well going to throw in your lot with the other provinces and share alike with them."

Mr. Hollett: That is not what he said in July.

Premier Smallwood: What he said in May, January, June — what kind of man is he? Does he say something different every month? What are we? Are we up against a Prime Minister who changes his mind every now and then?

Mr. Hollett: Sure — any man who does not change his mind and is willing to say so — I have recollection of the hon. the Premier changing his mind.

Premier Smallwood: Now, where a treaty is concerned, between two countries — No, Mr. Speaker, that is what this is. No, Mr. Speaker, he just does not like Term 29 — They never did like it, the Tories — the Tory government of Canada do not like Term 29. They do not like the idea, the thought that Newfoundland has special rights going beyond 1962. Can you imagine the thinking of a government which looks at nine provinces on one side and one province on the other, Newfoundland. Looks at the nine provinces and says: "here are nine provinces that have a tax rental agreement with us which expires March 1962, and here is another province, Newfoundland, which is kidding itself, just kidding itself that it has a term called Term 29 which is perpetual, which is eternal, which in honour Canada must observe as long as the constitution for the simple reason it is part of the constitution. These simpletons in Newfoundland actually think we are going to respect that and give them special rights after 1962 over and above the ordinary fiscal rights the other provinces have."

So the Prime Minister announces, makes the statement, they will make these payments under Term 29 to 1962 and then we can share, in the light of the general methods of providing financial assistance to the provinces, which may be in effect at that time. And Mr. Fleming says on July 13, speaking for the Prime Minister and the government of Canada, it won't be doubted he was stating the official policy of the Diefenbaker Government will it? On July 13th he said: — "I would like to remind hon. members of the house that no other province has any financial guarantee after 1962." But, Sir, what the other provinces have is just an ordinary contract, just an ordinary agreement, but what Newfoundland has is not a contract at all — And I

would ask the House not to pay any attention in the least to the word "contractual" as it is contained in Mr. Diefenbaker's speech, because I am quite convinced that, if Mr. Diefenbaker had thought twice, he never would have used the word "contractual" because it is not a contract that we have in Term 29, it is something else and I will come to that in a moment.

As Newfoundlanders we find ourselves up against the fact that the government of Canada, which so long as they are the government of Canada will control the parliament of Canada, does not like Term 29, does not believe in it, does not think we should have any special rights after 1962, are willing to give us special payments until 1962, but insist that after 1962 what we will get is what we will get in line with the other provinces of Canada. Now that is what Newfoundland is up against.

Now, Mr. Speaker, I have, I think, disposed of one of two points that have been used by the Opposition before I come to the main body of their argument. The Opposition have brought forward four arguments against this resolution. The first one is this: They say that the recommendations of the McNair Royal Commission are not binding on the parliament of Canada. Secondly they made the great play — The Leader of the Opposition, to my astonishment — the Leader of the Opposition in an entirely new roll, one that we never expected to be in him — all we could ever assume in an entirely new roll the Leader of the Opposition delivered a glowing panegyric, a paean of praise to Ottawa for their generosity to us. He stood in this House and recited figures, figure after figure, and quoted from Hansard and quoted from Mr. Browne and quoted from Mr. Fleming and quoted from the House of Commons of the wonderful generosity of Ottawa toward Newfoundland.

Mr. Hollett: I did not call it generosity. I gave the facts.

Premier Smallwood: No, he left it to the people to call it generosity. What he did was recite large blocks of figures, millions for this and millions for that and millions for the other thing, until you would think Newfoundland was bent down under the burden of the millions poured in here from

Ottawa. He did not call it generosity, but we all know what he hoped everybody else would call it. Now, when he did that, he was following in the footsteps of the Canadian Minister of Justice, Mr. Fulton, who came down here a few weeks ago bearing an olive branch — Remember he came down to make peace with Newfoundland after all the bad feelings there had been between us and Ottawa in this present calendar year. And he made a speech down here, at the Board of Trade or Rotary — He made a speech, at which I was present — There he told us in an astonishing way of the untold millions — in fact "untold" is the proper word — because they came from somewhere not real at all but just imagination. He dreamed them up or someone dreamed them up and handed them to him to use. And he used them and had to apologize a half an hour after the speech was over, for being wrong. He told us of untold millions Ottawa is pouring in here.

Then Mr. Diefenbaker, the Prime Minister, went on television and he made a speech about Canadian Affairs, the Nation's business. In the course of that speech he told the people of Canada, he said: "My fellow citizens, we have not been altogether stingy toward Newfoundland. We have not treated them too badly. We gave them millions for this and that and for the other thing," — it was almost written to music — the untold millions Ottawa had been pouring into Newfoundland.

Then in debate last week, in the House of Commons, our defender Mr. Browne — the man who gave up his seat in this house so he could take a seat in the House of Commons to fight for Newfoundland on the occasion — he said: "Newfoundland is going to need a friend up there, going to need a good friend, a fighter to fight for her rights under Term 29." Now our defender gets up and instead of telling about Term 29 recites, to the same tune, the millions upon millions upon millions upon millions upon millions upon millions, reciting like a record which was stuck — millions upon millions upon millions upon millions upon millions the needle could not get past it. And in the House of Assembly we have the Leader of the Opposition telling about the millions.

What is all this about? Why did Mr. Fulton come down here and tell us this? Why did Mr. Diefenbaker go on television and radio?

Why did Mr. Browne do it in the House of Commons and our Newfoundland Leader of the Opposition do it in this chamber? Why? Why tell us about all these millions and never a word, incidentally — as the hon. member for St. John's Centre pointed out — about the flow of millions from Newfoundland up to Ottawa. Because you know we do pay some taxes to Ottawa. Not a word about that but only the millions we get. Now, what is the point? Is it a coincidence, a mere accident, coincidence that Mr. Fulton, the Minister of Justice; Mr. Diefenbaker, the Prime Minister; Mr. Browne, our defender; and the Leader of the Opposition who represents all three, all four of them, rubbed it in to us about the millions poured into Newfoundland? Why have they done this? Why? Why do they keep rubbing that in to the Newfoundland people?

Mr. Hollett: They only want the truth don't they?

Premier Smallwood: They know every Newfoundlander knows, there is not a Newfoundlander who does not know that Newfoundland, because she is a province of Canada, is entitled to get the same things exactly as the other provinces do?

Mr. Hollett: Yes.

Premier Smallwood: Therefore there is nothing special in that. There is nothing special in that. There is nothing special at all. There is nothing unusual at all. That is what all the provinces get, that is what Confederation means. That is why I fought and fought hard to bring Confederation to Newfoundland, because automatically, whether the government of Canada liked it or did not like it, whether Liberal or Tory, no matter who they were, automatically the moment we became a province of Canada these blessings under God had to pour in here. If anyone should be boasting about the millions poured into Newfoundland — I happened to be the one who should boast about it because I fought for these benefits for our people and I fought against pretty hard opposition, opposition from men who said it was a lie, Canada does not do this — it is a lie — if you get these things you pay for them, you pay through the nose.

Oh, maybe it is true — they said — about Old Age Pensions — “But before you get that Old Age Pension you have to sign away the little tiny bit of property you have to the great, rich Canadian government.” Now they stand up, the men who fought against and opposed it, and tell us we should be on our knees, or words to that effect — what else are they telling us for, except to suggest to us that we should be grateful to Ottawa, that we should appreciate what Ottawa is doing. Well, I do appreciate what Ottawa is doing, but I say at the same time that Ottawa is only doing for us what she is doing for all of the provinces of Canada, and it has nothing — it has nothing to do at all today with Term 29. Term 29 is something special that we are to get, the special consideration, the special concession, the special asset, the something special without which we could not have become a province in the first place. We had to have that something special over and above what the other provinces get because we were so far behind the other provinces.

Some provinces had been sharing in the Canadian blessings for 80 years and some other provinces had been sharing in these blessings for 70 years and some other provinces had been sharing for 60 years. Saskatchewan and Alberta came in in 1905 and they have been sharing in them from 1905 but we came in in 1949. We were so late coming in, so late having the benefits and blessings of Confederation, we had never got anywhere, never got far ahead, or well developed, and therefore we needed more than the other provinces if we were going to be brought up to the level of the other provinces, if we were not going to be second-class Canadians, poor relatives of Canada, if we were not going to be just a poor colony of Canada, and so there had to be something special for us. Term 29 is that something special. It goes against the grain of the Tories to allow it. It goes against their grain to let Term 29 stay, and the special rights we get under it to continue after 1962.

That is what this debate is about. That is what they want, to take our rights from us after 1962, and they are determined to do it and if they have their way they will but if we have our way they won't. That is the second argument. The third is this: The Leader of the Opposition said; and said it again and again and agin, that in 1962 the \$8 million

that the McNair Royal Commission recommended may not be enough.

Mr. Hollett: I said it will not be enough.

Premier Smallwood: Said it will not be enough — and one point he made. It is a very true remark that it will not be enough — it will not be enough now, let alone in 1962. It is not enough now in 1959. We don't have to wait until 1962 to know that \$8 millions a year is not enough. That is why the Newfoundland government, when we appeared before the McNair Royal Commission, asked for \$15 millions. The McNair Royal Commission recommended \$8 millions. We thought then and we think now that it is not enough. I told the Prime Minister in his office in January, when he had his Minister of Finance present with him and I had our Newfoundland Minister of Finance present with me, four of us there — I said to the Prime Minister: "But \$8 million is not enough." I said, "if you won't agree to raise it above what the McNair Royal Commission recommended, if you won't agree to do that, as obviously you should do, if you won't do it at least have another Royal Commission under Term 29 within 16 years after the date of Union." The first one, you see, had to be within eight years. We had that one and it recommended \$8 millions. So, I said: "Let's have another Royal Commission under Term 29 but have the second one within 16 years" — that is another eight — "Then," I said, "before another eight years expires, which will only be about seven now because one year has gone — we have gone through eight years and another year besides, so of the 16 years there are left only another seven — so that within the remaining seven the Royal Commission would take another look at Newfoundland's situation and see how Confederation would take another look at Newfoundland's situation and see how Confederation is getting along, see if the government is really keeping up the public services with \$8 millions. It may be they will need less and it may be more." I said, to the Prime Minister, "all of us in Newfoundland are hoping we can develop our resources, we are all hoping Newfoundland can develop and expand and we won't need your money contributed. We would rather be a have province than a have not province.

"But," I said, "we have no guarantee of that. We would like another Royal Commission's review under Term 29." So that argument of the Leader of the Opposition and his colleagues falls to the ground because we don't argue —

Mr. Hollett: What argument?

Premier Smallwood: The argument that he is against this Resolution because —

Mr. Hollett: What argument are you talking about?

Premier Smallwood: I won't be interrupted — if the hon. gentleman wants —

Mr. Hollett: I was interrupted, and you will be interrupted.

Premier Smallwood: Does he think so?

Mr. Hollett: Yes.

Premier Smallwood: Perhaps the opportunity of the hon. gentleman is limited. Perhaps there is a time limit to that. Has Mr. Diefenbaker put a time limit on Term 29?

Mr. Hollett: Threatening again.

Premier Smallwood: The hon. gentleman is doing the threatening. He said — I will interrupt if I like, or words to that effect.

Mr. Hollett: Did you not interrupt?

Premier Smallwood: I asked questions. The fourth argument — there were only four — that preamble to the Bill that the Tories passed last week in the House of Commons saves Term 29. That is the argument. Term 29, they argue, is not gone. That is their claim. They argue that it is not gone, it is saved in the preamble to the Bill. Now there is the fourth argument.

1. The recommendations of the McNair Royal Commission are not binding on the House of Commons and the Senate, i.e., the Parliament of Canada.
2. All the tremendous amounts of money that Ottawa is pouring in on us.
3. That the \$8 million may not be enough in 1962 or is even not enough now, so why should we harp on 8 millions?

4. That the Preamble to this Bill passed in the Canadian Parliament last week, this Bill, in the preamble, saves Term 29 from destruction. Now let me deal with these:

I say now frankly, that the recommendations of the Royal Commissioners, Justice McNair; Justice Walsh and Professor Deutsch; their recommendations are not binding on the parliament of Canada. That is true. They are not binding in law. There is no way except by a revolution or a war to bind a sovereign parliament. A parliament can be bound only by a superior parliament, a bigger one that has jurisdiction over the smaller one. It can bind the smaller one. A parliament can be bound by its own action. That is two ways in which a parliament can be bound — by revolution; in other words, the people rise up in bloodshed and violence and put down parliament and put new men in, and do it that way — parliament can be controlled by war. There is no other way I know of for binding a parliament. The parliament is sovereign within the constitution. It is a sovereign body. You can't bind it, can't pass a law to bind it. I notice on the radio today that there has been a resolution or statement issued by some association, saying that, if the government were not such a queer kind of government, wanting to do everything different from everybody else, if it were not this kind of government we could take the case into court.

That is the silliest thing which has been said yet. So we take it into court. We go into what court? We have to decide what court first. The Supreme Court of Newfoundland? No jurisdiction. The Exchequer Court? The Supreme Court of Canada? We decide which court — go into court — engage lawyers. Take action in court. What action? We are suing the parliament of Canada. You cannot sue the government of Canada. They say — "We don't pass laws. The parliament passes laws," i.e., the House of Commons and the Senate. So we are going to sue the Senate and the House of Commons? We are going to order them to pass a law. Nobody can order parliament to pass a law — no one — only the people of Canada can do that. Of all the silly things ever said was this about going into court and suing the parliament of Canada, What do we do, as the Attorney General said this afternoon — Will we attach them — attach the parlia-

ment buildings and the Peace Tower, send a bailiff to take over as security for our action in the courts against the parliament of Canada?

Mr. Hollett: Have you not already sued on a couple of matters?

Premier Smallwood: We have sued the government, not the parliament, the government, for their action. We have not sued the parliament. The government does not make new laws. The government asks parliament to pass them. It is parliament that passed them. You cannot sue parliament for passing this law or not passing this law. The only thing that binds the parliament of Canada to carry out Term 29, to carry out the recommendations of the McNair Royal Commission, there is only one thing to bind it, only one thing apart from war, apart from revolution, and apart from the people, only one thing can bind them and that is their own honour, their own sense of honour. If they are hon. men, they will carry out Canada's Constitution. You cannot force them. You cannot take action against them in courts. Only their own honour, their own sense of decency, their own sense of fair play. When Mr. St. Laurent was Prime Minister he put it as clear as words could put it when he said that the recommendations of the Royal Commission which one day would be appointed and set up and make their recommendations, when that day came, their recommendation, he said, will not be binding on the parliament of Canada. So he said, the Newfoundlanders and ourselves have agreed that they will depend upon the fair play and honour of Canada when the recommendations of the Royal Commission come before parliament, as they will do some day.

Well, they came before parliament, and Mr. St. Laurent was wrong. The one thing he did not foresee is what happened, the one thing he could not foretell is what came to pass the one thing that nobody guessed, never came into anybody's mind and could only come into the mind of a police court solicitor, the one thing that nobody ever guessed was that there would not be the honour, the honour would not be there. What the government had done in Canada is to dishonour the Canadian Constitution. They dishonoured Canada. They dishon-

oured Newfoundland, they have, by their dishonour cast a shadow on Canada and the people of Canada will see that yet. They will see it. It will be driven home to them. And I venture to say the decent people of Canada — and the people of Canada are decent people. They are decent God-fearing people like us, like all of us here in North America, a democratic and decent and law-abiding people who want to do the right thing and the fair thing. When the people of Canada realize the ignominy of what Diefenbaker has done — They don't — The average Canadian citizen today does not realize that Canada's Constitution has been breached, that Canada has been dishonoured by this legislation. When they do, Mr. Diefenbaker is in for trouble and Newfoundland will begin to come back into her own again.

That is our hope — not going into court. Our hope is to get Term 29 carried out, not the recommendations of the McNair Commission, as a fixed and final amount for all time, but the obligations of Term 29, not the particular recommendations of the Royal Commission but the Term itself, the obligation that is in the Term, the responsibility that is on Canada to see that Newfoundland's public services are maintained and are continued so long always as we tax our people as much as they tax them in the nearby Maritime provinces.

Now I would venture to say — we had the Attorney General of Newfoundland and we had the hon. Minister without Portfolio, the senior member for Harbour Main, another lawyer; we had the hon. member for Fogo, another lawyer, we had the Solicitor General, the hon. member for Ferryland, another lawyer; and we had the hon. member for Trinity North, another lawyer; and we had the hon. member, the Leader of the New Party, the hon. and learned member for St. John's East, another lawyer; we had all of them, all of them stand in this house and say the same thing, as lawyers. As lawyers we have had them say that the Preamble to this Bill, which is the only thing which mentions Term 29 in the first place, that the Preamble to this Bill is not operative. Now I don't know to what extent laymen like myself in this house and outside this house understand what that means — operative. Here is a Bill which has become law. Therefore it is not a Bill anymore. It is

an Act of Parliament. And the Act says only, in three sections, 1, 2, 3, — (1) This Act may be cited as the Newfoundland Additional Grants Act. That is the name of the Act. That is the first clause. The second clause (2) There shall be paid to the province of Newfoundland in the fiscal years — That is all there is in clause 2. Clause (3) says what time of the year they will be paid.

Now, that is all. That is the Bill. That is the Act. That is the Law Canada just passed. But there is in front of it some words called a Preamble, and the Opposition are trying to argue that the Preamble, because it mentions Term 29, just mentions it, and is not an operative part of the Act at all, but because this unoperative or non-operative part of this Act mentions Term 29 therefore, they argue, — this is their argument — Term 29 is not dead. It is still alive, notwithstanding the fact that the Prime Minister himself — I don't know how true this is but Sir Winston Churchill remarked in the British House of Commons one day that the Prime Minister is the source and arbitrator of public policy — That is to say, public policy originated from the Prime Minister and he decides on it. He is the source and arbitrator of public policy. Well, the present Prime Minister of Canada is known to exercise more personal power in his cabinet than any Prime Minister of Canada since R.B. Bennett, who was another man who exercised tremendous sway and control over his cabinet. And certainly nobody doubts that when Mr. Diefenbaker speaks he speaks for the Queen's Government. You cannot get over this. All the oceans of water can't wash this out. This is the policy of the Canadian government as expressed by the Prime Minister of Canada:

He said: "My colleagues and I," (That is my cabinet ministers and myself) my colleagues and I are accordingly of the opinion that parliament should be invited to take action on the Commissions recommendations. It is proposed therefore to ask Parliament to authorize payments as recommended by the Royal Commission..” Now if the sentence stopped there with a full stop it would be wonderful. It would be wonderful because what the Royal Commission recommended was \$8 millions a year until 1962 — here it is; 1957, 58, 59, 60, 61, and thereafter \$8 millions per annum. But when the Prime Minister made his announcement in the

House of Commons he said — "My colleagues and I have decided, therefore, we will ask you to pass a law authorizing payments as recommended by the Royal Commission," — and not a full stop but a comma, and he goes on in the same sentence — "But in our view" (in the view of my colleagues and myself, said Mr. Diefenbaker) "the duration of the payments should be limited to five years. As both Newfoundland and Canada have recognized the difficulties involved" — now he is trying to blame us for it, trying to blame me, trying to blame Newfoundland now, as joining with him, with Canada, in recognizing the difficulties. I never recognized any difficulties about paying us after 1962. The only difficulty I ever recognized, and the Leader of the Opposition recognized it and he does here tonight, \$8 millions is not enough.

Mr. Hollett: What is the first line of Term 29?

Premier Smallwood: "A Resolution will shortly be placed on the Order Paper asking leave to introduce a Bill to carry into effect these provisions pertaining to the Terms of Union. The proposed payments will be unconditional and" — how generous, how big-hearted — making them unconditional and won't lay down any conditions — just ask parliament to make the payments unconditionally — and they will be in final (and that means forever).

Mr. Hollett: Each year.

Premier Smallwood: "and they will be in final and irrevocable" (unchangeable, final, forever, i.e., final and irrevocable). Now, if my hon. friend the Leader of the Opposition wants to go out and convince the Newfoundland people that "final" does not mean final and "irrevocable" does not mean irrevocable he is welcome to it. The Prime Minister says the payments will be unconditional and final and irrevocable payments of the provisions of Term 29 and the contractual obligations of the union consummated in 1949.

"On conclusion of the payments as of March 31, 1962" (when the last payment is made in 1962, when the five years are up) "which corresponds with the conclusion of the present five-year fiscal arrangement between

Canada and the Provinces" (what has that got to do with it? I do not know nor does anyone else) — "Newfoundland's position can be considered in the light of the general method of providing financial assistance to the provinces which may be in effect at that time."

That is to say, we will give it to you for five years. We will accept the recommendations of the Royal Commission but won't accept them in full. We will accept them up to 1962, bring in a Bill which will ask parliament to pass into law, try to get this law passed to give us the right to pay you Newfoundlanders this amount every year until 1962 but after 1962 no more because this will be in final and irrevocable settlement. Now he has kept his word. This is the one time when Mr. Diefenbaker has kept his word.

Mr. Hollett: Only once?

Premier Smallwood: This is once. There might be another time — I don't remember another. He said that parliament will be asked to accept a Resolution. The Resolution was brought in. Parliament will be asked to pass a law to pay this amount for five years. He kept his word. The Bill was brought in last week. The payments would be for five years. Five years it is in the Bill. Why is it? Is the Bill here? Here it is, here.

Mr. Renouf: Why not read the July statement?

Premier Smallwood: I read Mr. Fleming's, the man who introduced it. Now here is the Bill. Here is the Act — Clauses, 1, 2, 3.

Mr. Hollett: Gon on! Be honest.

Premier Smallwood: Five years and no more, 1957 to 1962. Everything stops in 1962 except one thing. Now what is that one thing? What does not stop in 1962? In 1962 the ten provinces, Newfoundland and the other nine, the ten provinces of Canada and the government of Canada have agreed — We have agreed. I tell the house tonight, Newfoundland has agreed, with the other nine provinces and the government of Canada, we agreed some weeks ago to take part in it — We have agreed. The ten provinces have agreed with Ottawa that in 1962

the ten provinces of Canada will incorporate a general study (about the twenty-ninth general study that has been made) but we will make another general study, a general survey of the financial and fiscal relationship between Ottawa and the ten provinces. So, Mr. Diefenbaker seizes on this — He does not like Term 29, Mr. Fleming does not like Term 29, Mr. Fulton does not like Term 29 and apparently Mr. Browne does not like Term 29. So, not liking Term 29, and not liking the idea that we get special rights to go on away after 1962, not liking that, seizes on the fact that all the ten provinces are going to have their relationship reviewed, therefore, let us chop Newfoundland off at 1962 insofar as special grants are concerned, insofar as special rights are concerned. Let us chop her off in 1962 and dump her in with the other nine provinces. Let her stand or fall with the other nine provinces. Now, that is what the Diefenbaker government has done. That is precisely what they have done to Newfoundland.

Mr. Hollett: Mr. Spaker, may I ask the Premier a question, if he will allow me to read —

Premier Smallwood: No! I will allow the hon. gentleman to ask me a question but won't allow him to make a speech. He took up a whole afternoon.

Mr. Hollett: Who was jumping up on Wednesday afternoon, Mr. Speaker? I want to ask the hon. the Premier if he will read on page 5992, about six lines stated there — if he will read it or will he not?

Premier Smallwood: I will not read it.

Mr. Hollett: It starts with — "Let me make this clear."

Premier Smallwood: The hon. gentleman is not going to read either.

Mr. Hollett: I will read it to the public.

Premier Smallwood: You can read it on the radio or anywhere else.

Mr. Hollett: You are lying to the general public.

Premier Smallwood: What is that?

Mr. Hollett: You are lying to the general public.

Mr. Speaker: That is out of order.

Premier Smallwood: I would move, Mr. Speaker, to have the hon. gentleman expelled from this house but for the fact the people will do the expelling. I will say no more. The hon. gentleman will be expelled.

Mr. Speaker: It is definitely unparliamentary to accuse an hon. member of lying. The hon. Leader of the Opposition knows that that remark ought to be withdrawn and ought not to have been made.

Mr. Hollett: I withdraw it, Mr. Speaker — Let us have the truth anyway — the whole truth I mean.

Premier Smallwood: Now, Mr. Speaker, why has this Resolution been brought in? Why have we brought it in? What do we hope to accomplish by it? We hope first of all to get this house, which represents all the people of Newfoundland, to support it. Between us here at this moment we represent all the people of Newfoundland except the people of Placentia East. No one in the house at this moment represents the people of Placentia East because they have no member. Except for them we here, on all sides of the house tonight, represent all the people of this province, nearly 500,000 of us and this Resolution is brought forward, first of all, to try to get the people's representatives to speak with one voice of Canada, to the Prime Minister, to the members of the cabinet, to the members of his party, to all members of parliament of the Lower House and Upper House of the House of Commons and the Senate. Because we want the people's representatives in this, their house, to speak with one voice to all the people of Canada, to tell the people of Canada, their fellow Canadians, that we consider that our rights have been stolen from us. That is the first — to stir in the conscience of the Canadian people. We cannot go into court. We are barred. We can't sue a parliament. Parliament is sovereign, supreme, it is above the court, it makes courts, and unmakes courts, it

creates courts. Parliament is sovereign and supreme. Parliament can do everything and anything — except the famous dictum of Constitutional Law — Parliament can do anything except make a man out of a woman and or a woman out of a man.

If parliament was to pass a law tomorrow that the hon. and learned gentleman who is the Leader of the New Party (Mr. Higgins), the member for St. John's East, has red hair, then no matter what his hair is, in law his hair is red from that moment. It is the law of the land, it is the sovereign, supreme authority of the land, it is the parliament of Canada — and you cannot sue it, you cannot sue it — You cannot sue parliament, can't force parliament by law to pass a law or to unpass a law. You cannot stop them from passing this law and you cannot force them to pass that law because they are sovereign and supreme and take orders from no one except the people — the people — so we seek to stir the conscience of the Canadian people — This little handful of Canadians here, less than half a million of us, a quarter of a million less than they have in little Nova Scotia, this little segment of Canada, the newest part of Canada only 10 years old, we seek to stir the Canadian conscience, we seek to make them understand that we have been wronged by their government. That is why we bring in this Resolution.

Now I would like to make one or two final points before I sit down. Before we were a province of Canada, and it is not so long ago when the hon. Leader of the Opposition and I were in this chamber here, before we were a province of Canada — the Minister of Labour was here at the time and the Minister of Mines and Resources — four of us, anyone else? Four of us were in this very room as members of the National Convention. At that time we were a country. It took us years after we became a province before most people stopped saying "this country." It took us a long time to learn to say "this province." We are very new, very young. We were a country, a British Country some said. Some said we were a Colony some said we were a Dominion — and I don't think there was any doubt we were a Dominion of the British Commonwealth, and Canada to us was another British Dominion lying along side us.

There were some people in Newfoundland who said; "Okay, let us join up with this

great rich United States" — and it was because Canada was British, because Canada was like ourselves a country in the British Commonwealth that we said; "No — no we won't go to the United States. We like the United States. It is a great country, a rich country and lots of the Newfoundland people are living up there, but they are not British, they are American, foreign, a foreign nation. Let us rather, as a British country, approach rather this big British country next door and ask them." As a matter of fact I am the one who did it. I brought that Resolution into this very chamber, standing about where I am standing now. At that time the Leader of the Opposition sat right there, just about where the hon. member for Bonavista South is sitting now. I said — let this British country, Newfoundland, go up to the British country of Canada and ask if there is a fair and equitable basis or foundation for Confederation, for Union of the two countries, two separate countries.

Canada was only a youngster in age compared with us. We are a very old country of the British Empire. So we said: Can we get together can we work out, would it be practical, would it work out? We knew it would work for the people. Sure! They would have blessings showered on them, but would it work, would the government of the new province be able to pay its way? Would it be able to give the people the roads and hospitals and schools they wanted and must have and should have if they were to be Canadians? Can it work? Is it practical? Can we make it practical? That is what we meant, that is what we meant when we asked the question—is there a fair and equitable basis, fair and equitable terms — And this independent British country approached that independent British country and we sat down and negotiated for three months, three months, 12 weeks, and we went back again and we negotiated again for another three months, another 12 weeks, in Ottawa, six months we negotiated.

Mr. Hollett: After the Referendum.

Premier Smallwood: After the Referendum.

Mr. Hollett: Would the hon. the Premier allow a question in connection with the first

return from Ottawa? Does the hon. the Premier remember that he came back and recommended to the people of this country to go into Confederation on the basis of a transitional grant of \$3.5 million?

Premier Smallwood: I remember it well. I also remember when we came back from Ottawa from this first visit we brought back Term 29, or had it come back shortly after. Term 29 was written at the time of the first Ottawa delegation, not the second. It is true that, in the second legislation, there was a slight change in some little part of the wording, but Term 29 was written in Ottawa. I ought to know what it meant. I am co-author of it, I should. I wrote part of it. That was the first delegation. Here it is now, 10, 11, 12 years later — Term 29.

But there has been a great change meanwhile. The change is in the majority in the House of Commons. The government that we negotiated with at that time wanted us, Mr. King wanted us in, wanted Newfoundland as part of Canada. There is no question about that. As an old man on his way out (he was dead a couple of years after that) as an old man who had served for 20 years as Prime Minister of Canada, years, he wanted Newfoundland in, he wanted to round out Confederation. He wanted that as the crowning glory of his life as a great Canadian statesman. But the man who actually negotiated for him was Mr. St. Laurent. Mr. St. Laurent was the Minister of Justice. He succeeded Mr. King, as the Prime Minister. And he regarded it, and does to this moment, as the crowning glory of his career. Both of these great Canadian statesmen, McKenzie King and Louis St. Laurent, one English and the other French, both of them regarded Newfoundland's entry as a great victory for Canada, that we would strengthen Canada, we would do honour to Canada, that Canada in the eyes of the world enjoyed a greater respect because another country had asked to join her and had joined her by the free vote of her people. They were proud of Newfoundland's coming in.

But perhaps we made a mistake — It should not have been a mistake — It should not have been a mistake. It should not be regarded as a mistake, but perhaps in the minds of little men it was a mistake, perhaps it was. We as a people, overwhelmingly as a

people, supported the men who treated us well, who brought us in, who gave us the invitation, who gave us a most warm hearted welcome, who showed again and again that they are proud that we had joined up with Canada. We supported them. We supported them still a year or two years ago and three years ago. We supported them, and perhaps we will never be forgiven for doing that. Perhaps we have to be punished. But I say that no matter who is in the government of Canada, no matter who they are they won't be there forever — they won't be there forever! They won't be there forever, please God! What they have done they can't undo now, can't take back the little they have given us. We are safe until 1962.

We have between now and then, three years — three years we have we Newfoundlanders. We have three years to get our rights restored, to get Term 29 fully restored to what it was meant to be, a solemn treaty, a solemn obligation which can be changed, if it ever is changed, only by both parties agreeing to it. What two parties? What both parties? The two parties that made the agreement, Canada and Newfoundland — And dare one party of the two, on its own, unilaterally, by itself, without consulting the other party, dare they change it? That is what we are fighting for and that is what I will never rest content until it is done. Because I confess to this house tonight, and I confess to my fellow Newfoundlanders — my fellow Newfoundland Canadians, my fellow Canadian - Newfoundlanders, I confess tonight a feeling of shame that the country which I was so ardent in inviting them into, persuading them to join, that that country should have dishonoured, dishonoured and violated and betrayed the very basis of our entering, the very condition of our union with Canada.

Now, Mr. Speaker, in conclusion, I appeal to the Leader of the Opposition quite frankly, may I say, without meaning to be offensive — I have no desire to be offensive in this. May I say that I don't have the same hope with regard to the hon. and learned member for St. John's South, for reason that I need not describe, because I am quite sure one of the men listening tonight, not in this chamber but listening carefully to every word, is our Defender, the Great Defender. But I do appeal to the Leader of the Opposition (and the vote will be taken now in a few

moments) — to remember he has got to take his stand as the representative in this house either of John Diefenbaker and William J. Browne or of the people of Newfoundland. He cannot represent both.

Mr. Hollett: No! That is not right.

Premier Smallwood: It cannot be done. The interest of Newfoundland is not the interest of John Diefenbaker and William J. Browne. These two men have betrayed Newfoundland. They have betrayed Newfoundland. They are traitors to Newfoundland. Perhaps Mr. Diefenbaker is not a traitor because he is not a Newfoundlander. But William J. Brown is a traitor to this country, this province. And no one can sit in this house and represent him without betraying Newfoundland. And I appeal from my heart to the heart of the Leader of the Opposition. I know his heart is good. His head may be muddled but his heart is good. He has got a heart. I appeal to that. He is hopelessly muddled on this issue, but I appeal to him as a Newfoundlander, as a Hollett — as an outharbourour man, I appeal to him. Break away from Diefenbaker and Browne, push them where they belong and take his side, take his place, on the side of Newfoundland, the Newfoundland people. Come over and join the New Party or the Liberal Party of if not, if he does not like these two, just move away to the right or the left but get away from the Tories, get away from Diefenbaker and get away from Browne, and vote for Newfoundland.

Mr. Speaker: It is moved and seconded that this Resolution, moved by the Premier be received and adopted.

The House Divided On The Motion
(Premier Smallwood) Which Was
Carried On The Following Division:

YEAS
(MESSRS.)

J.R. SMALLWOOD	Hefferton
Strickland	McGrath
Curtis	Cheeseman
Keough	Murray
Spencer	Ballam
Chalker	Lewis
Rowe	Canning
Abbott	

Smith
O'Driscoll
Mercer
Winsor
Forsey
Whelan
Strange
Sellars

Mifflin
Jones
Clarke
Sheppard
Nightingale
W. Smallwood
Higgins
Duffy (31)

NAYS
(MESSRS.)

Hollett
Renouf (2)

Premier Smallwood: Mr. Speaker, I move that the house do now adjourn until tomorrow, Tuesday at three o'clock when I understand His Honour the Governor will attend in this chamber to prorogue this General Assembly or this session of the house. I wish to say that I shall tonight advise His Honour, to dissolve this general assembly, and I shall advise His Honour, the Governor, to issue his proclamation at once for the holding of a general election. And this general election will be held as quickly as the law provides, which means that it will be held within twenty-one or twenty-two or twenty-three days from now. My reason for advising His Honour to that effect will be that I desire to enable the Newfoundland people to determine where they stand in this matter, and in that connection I quote from Ducey — Law of the Constitution, page 364. "No modern constitutionalist will dispute that authority of the House of Commons, or, if you like, House of Assembly, that the authority of the House of Commons is derived from its representing the will of the nation — the will of the province — and that the chief object of a dissolution — in other words a general election — is to ascertain the will of Parliament coincides with the will of the nation."

We will go to the people and ask them to speak for themselves, as all of their representatives did not, in my view, speak for them — we will submit the matter to the people in a general election at once. (Applause).

Mr. Speaker: It is moved and seconded that this house at its rising do adjourn until tomorrow, Tuesday at three o'clock.
On motion, the house adjourned until tomorrow, Tuesday July 28 at three o'clock.

July 28, 1959

(Afternoon Session)

*The house met at three o'clock.

Mr. Speaker in the Chair.

The Sergeant-At-Arms announced that His Honour the Lieutenant-Governor had arrived.

His Honour the Lieutenant-Governor took the Chair.

His Honour was then pleased to make the following speech.

SPEECH FROM THE THRONE (PROROGATION):

Mr. Speaker and Members of the hon. House of Assembly:

I am glad to be able to relieve you of the responsible duties of this extended session which has been punctuated by several anxious recesses. In doing so, I desire to express my appreciation of the faithful manner in which you have applied yourselves to your legislative labours and of careful attention and consideration you have given to the matters which my Ministers have submitted to you.

During this session Newfoundland has had the great honour of a visit from Her Majesty the Queen and His Royal Highness, Prince Philip, the Duke of Edinburgh. As far as the overriding arrangements made by the federal authorities at Ottawa would permit, my ministers took all steps to ensure that as many as possible of our people were afforded the opportunity to greet Her Majesty and Prince Philip, and it is particularly pleasing to note that their itinerary included visits to various areas outside St. John's thereby enabling thousands of our people to participate in this happy event. Many of the measures which you have considered in this session are of paramount importance to Newfoundland. As the session opened, great turbulence and unrest prevailed in our pulp and paper industry which were regarded by my minister as constituting a serious threat to our whole economy. The legislation introduced by my ministers for the purpose of safeguarding

the public interest met with your unanimous support and approval and, as a result, the unsettled conditions which existed in the largest and most vital of our industries were remedied. My ministers have expressed their intention to review this legislation in due course to determine whether or not the situation has improved to the extent that some of the safeguards which it was necessary, in the public interest, to impose, may be modified.

Important transactions relating to the vast iron ore deposits in the Lake Wabush area of Labrador have been announced by my ministers. Bills authorizing the government to enter into various agreements with Newfoundland and Labrador Corporation Limited, Canadian Javelin Limited, Wabush Iron Company Limited and Carol Lake Company Limited have received your approval and it is my firm belief that these measures will materially encourage and facilitate the exploration and development of the mineral resources of Labrador. It is also most encouraging to note your approval of a Bill relating to the construction of a second railway in Labrador. The success of the large scale operations presently in progress in the Lake Wabush area will provide many opportunities for employment to our people and may well revolutionize the financial and economic position of a large part of the province.

In other fields of mining development, my ministers have been authorized by appropriate legislation to enter into Agreements with Advocate Mines Limited, with Mr. James Boylen and with Anglo-Newfoundland Development Company Limited and American Smelting and Refining Company. The purpose of these Agreements is to facilitate the development of various mineral deposits throughout the province; and keeping in mind the vigorous and diversified programme of mineral exploration which is now being carried on in Newfoundland, the next few years should prove to be most eventful so far as the development of our natural resources is concerned.

Legislation to give effect to significant changes in the management and operation of two of the industries established with the help of public monies have been considered by you. This legislation authorizes my ministers to enter into an Agreement with

McNamara Construction of Newfoundland Limited to enter into an Agreement with McNamara Construction of Newfoundland Limited relative to the operation of Canadian Machinery and Industry Construction Limited and with Newfoundland Cement Company Limited regarding North Star Cement Limited. As a result of these measures, my ministers are confident that there will be improvement and expansion in these two industries in the future.

Educational matters have continued to occupy the attention of my Ministers and, with your approval, one of the most forward steps in the history of education in Newfoundland has been taken. For many years, my ministers have been concerned about the serious lack of suitable University facilities and this problem has been receiving most careful attention. The necessary legislative authority having been provided during this session, the work of constructing a number of new and well-equipped buildings for the use of the Memorial University of Newfoundland has now been commenced and will be pushed forward by my ministers with all possible speed in an effort to have them available for use at the earliest possible time.

Mindful of the difficulties which have beset our fisheries during the past year, my ministers have endeavoured to exert every effort to improve the conditions existing in this most important industry. The closing down of the fish plant at Fortune and the consequent hardships suffered by the fishermen and others in the area, have been extremely disturbing to my ministers and they have worked assiduously to find a solution to the problem. I am happy to note that it has been possible to interest a large outside fishing concern in re-opening and operating the plant in question and it is earnestly to be hoped that this arrangement will prove successful and beneficial to the whole community.

The decline in recent years in the number of coasting vessels operating in our waters has been quite marked and, for the purpose of encouraging the construction of such vessels, my ministers have introduced legislation to provide for the payment of a bounty ranging from \$120 to \$300 a ton. This has been approved by you and should be of great assistance to those of our people

who are already engaged or may wish to engage in the coastal trade.

Various Bills dealing with such matters as the development of housing accommodation and the preservation of historic objects, sites and records have received your attention whilst miscellaneous Bills involving numerous amendments to existing legislation bring the number of measures dealt with by you during the session to an impressive total.

Mr. Speaker and Members of the hon. House of Assembly:

I thank you for the provision you have made for all essential services for the present fiscal year which will enable my ministers to pursue the progressive measures already initiated by them in the fields of health, public welfare, education and road construction whilst the votes provided for fisheries and agriculture will, it is hoped, help to increase the earning power and independence of many of our people. These monies will be disbursed with the utmost regard for economy and with the welfare and interests of Newfoundland foremost in the minds of ministers.

My ministers are gravely concerned over the legislation recently adopted by the parliament of Canada in connection with the implementation of Term 29 of the Terms of Union between Newfoundland and Canada. In their view this legislation is an inexcusable violation of Term 29. It is their policy to seek by all proper means the restoration of Term 29 in its full original meaning.

As you are already aware, this will be the last session of the 31st. General Assembly.

To all of you, whether you continue to occupy a seat in this house or not, I wish success in your future avocations and a measure of well deserved relaxation after your heavy duties.

In releasing you from your duties, I express the hope that Divine Providence will continue to guide you and that His blessing will be on all of our people as they pursue their occupations on the sea, in the forests, in the mines, in industry and in every field of their labours.

His Honour the Lieutenant-Governor left the Chair.

Mr. Speaker in the Chair.

Mr. Speaker: I have to inform this House

that at three o'clock this afternoon His Honour the Lieutenant-Governor, in any case, having prorogued it, it is my honour now to move that this house do now adjourn.

May I be permitted on this occasion, the last perhaps in history in which anyone other than Your Honour will be permitted to speak — Your Honour of course, in adjourning the house will have the last voice — short of that it is the last occasion on which it is proper for anyone to speak. May I, without comment on anything that is to happen in the next few weeks, wish every honourable member of this house my personal regard and good wishes for his personal, and if in it, his political future.

Next time the legislature of Newfoundland meets it will meet in that magnificent new building, which I left just a few minutes ago. I made my daily visit there. I climbed up to the tenth floor and walked around on the floor of the new chamber, the new legislature to be. There is a sadness in going from here today. It is an historic chamber. Great events have transpired here, great debates

have taken place. Some of Newfoundland's greatest sons, native and by adoption (sons by adoption and by birth) have thundered their voices on this floor. But time oftens makes ancient truth uncouth. Even the most beloved church sometimes has to discard the building it occupies for a newer and sometimes larger and better one. So that the "People's House", which is not the building but which is the legislative and elected membership will move into a great new building and a magnificent new chamber. But, Sir, I am quite sure, with all the new finery, there will not be more patriotism, there will not be more love of country but I believe that it will be an inspiration for those who occupy that magnificent chamber.

Mr. Speaker: This house stands adjourned. In leaving the Chair, may I be permitted to thank hon. members for their many courtesies and their kindness to me during this period.

*(This was the last time the Provincial Legislature met in the Colonial Building)

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that proper record-keeping is essential for transparency and accountability, particularly in financial matters. This section outlines the various methods and tools used to collect and analyze data, ensuring that all information is documented and accessible.

2. The second part of the document focuses on the implementation of these practices across different departments and projects. It provides detailed instructions on how to set up systems for data collection and analysis, including the selection of appropriate software and the training of staff. This section also addresses common challenges and offers solutions to ensure that the process is efficient and effective.

3. The third part of the document discusses the importance of regular communication and reporting. It highlights the need for clear and concise reports that provide a comprehensive overview of the data and its implications. This section also outlines the roles and responsibilities of different team members in the reporting process, ensuring that everyone is aware of their contribution to the overall success of the project.

4. The fourth part of the document addresses the importance of data security and privacy. It provides guidelines on how to protect sensitive information from unauthorized access and ensure that all data is stored and transmitted securely. This section also discusses the legal and ethical considerations surrounding data collection and analysis, ensuring that all activities are conducted in compliance with relevant regulations.

5. The fifth part of the document discusses the importance of continuous improvement and innovation. It encourages the team to regularly review and evaluate their processes and systems, identifying areas for improvement and implementing new technologies and methods as needed. This section also outlines the importance of staying up-to-date with the latest trends and developments in the field, ensuring that the organization remains competitive and innovative.

6. The sixth part of the document discusses the importance of collaboration and teamwork. It emphasizes the need for open communication and shared responsibility, ensuring that all team members are working together towards the same goals. This section also outlines the importance of providing support and resources to team members, ensuring that they have everything they need to succeed.

7. The seventh part of the document discusses the importance of documentation and archiving. It provides guidelines on how to organize and store data and documents, ensuring that they are easily accessible and searchable. This section also discusses the importance of creating a clear and concise record of all activities and decisions, ensuring that the organization has a complete and accurate history of its operations.

8. The eighth part of the document discusses the importance of training and development. It outlines the need for ongoing education and skill-building for all team members, ensuring that they are equipped with the knowledge and skills needed to perform their roles effectively. This section also discusses the importance of providing opportunities for professional growth and advancement, ensuring that the organization attracts and retains top talent.

9. The ninth part of the document discusses the importance of risk management. It provides guidelines on how to identify and assess potential risks, and develop strategies to mitigate them. This section also discusses the importance of having a clear and concise risk management plan in place, ensuring that the organization is prepared to handle any potential challenges or crises.

10. The tenth part of the document discusses the importance of evaluation and feedback. It outlines the need for regular assessments of the organization's performance and progress, and the importance of using the results to inform decision-making and improve operations. This section also discusses the importance of providing feedback to team members, ensuring that they are aware of their strengths and areas for improvement.

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- Page 560-563 (Inclusive) Resolution re- Contributory Pension Plan for House of Assembly members.
- Page 563 Supplementary Supply Resolution.
- Page 564 Royal Visit — Gift to Her Majesty.
- Page 565 Bay d'Espoir power.
- Page 569 2nd Reading Members' Pensions legislation.
- Page 572 Committee of the Whole; Supplementary Supply.
- Page 581-593 (Inclusive) Budget Speech (Hon. E.S. Spencer)
- Page 593 Petitions (I. Mercer - Fogo); Petitions (Hon. M.P. Murray).
- Page 595-597 (Inclusive) Logger Blacklisted; I.W.A. — N.B.W.W.
- Page 600-605 (Inclusive) Committee of the Whole; Highway Traffic Act Amendment.
- Page 605-614 (Inclusive) Committee of the Whole on Supply; Sinking Fund; Statutory Salaries; Legislative; Executive Council; Dept. of Finance.
- Page 615 Ministerial Statement; Statutory Holidays (Hon. J.R. Smallwood).
- Page 616-630 (Inclusive) Budget Debate (Hon. M.M. Hollett)
- Page 630-633 Committee on Supply; Estimates.
- Page 633 House condolences on death of Thomas LeFeuvre.
- Page 634-642 (Inclusive) Adjourned Budget Debate (A.M. Duffy).
- Page 642-655 (Inclusive) Estimates:— Departments of Attorney General; Mines & Resources.
- Page 655 Petitions:— (J. Forsey — Humber East).
- Page 656-661 (Inclusive) Adjourned Budget Debate (G.R. Renouf).
- Page 661-675 (Inclusive) Hon. J.R. Smallwood (Premier) chides A.M. Duffy for his "insolvency" charges made in Budget Debate.
- Page 675-677 (Inclusive) Committee of the Whole House on Estimates; Depts. of Public Works; Health.
- Page 678 Ministerial Statement (Premier Smallwood) Shop closing hours.
- Page 678 Petitions; (Premier Smallwood) (J. Forsey - Humber East) (W. Smallwood - Green Bay) (Hon. P.J. Lewis).
- Page 682 Committee of the Whole: Estimates; Depts. of Public Welfare; Board of Liquor Control; Municipal Affairs & Supply; Labour; Fisheries; Highways.
- Page 698 Institutional Purchases.
- Page 699 Polio outbreak
- Page 701 2nd Reading — St. John's Shops Act.
- Page 703 1st Reading of a Bill "An Act to Amend The Shops Act" (Shop closing hours).
- Page 705-707 (Inclusive) Royal Assent; Supply; Plus 66 pieces of varied legislation.
- Page 707 House adjourns to call of the Chair (Term 29).
- Page 708 Resolution — Term 29
- Page 709 J.D. Higgins leaves P.C. Party.
- Page 712 A.M. Duffy leaves P.C. Party.
- Page 713 Placentia Gut Bridge.
- Page 716-735 (Inclusive) Term 29
- Page 735-749 (Inclusive) Personal Privilege (J.D. Higgins) Adjourned debate (Term 29 — G.R. Renouf).

Page 749-757 (Inclusive) (Hon. M.P. Murray — Term 29)
Page 757 Petitions (Hon. M.M. Hollett)
Page 758-781 (Inclusive) Adjourned Debate (Term 29 — Hon. M.M. Hollett).
Page 781-782 (Inclusive) Adjourned Debate (Term 29 — Hon. J.T. Cheeseman).
Page 783 Personal Privilege (Hon. M.M. Hollett).
Page 783-794 (Inclusive) Adjourned debate (Term 29 — Hon. P.J. Lewis).
Page 794-795 (Inclusive) Adjourned debate (Term 29 — Hon. C.H. Ballam).
Page 795-798 (Inclusive) Adjourned debate (Term 29 — Hon. E.S. Spencer).
Page 798-801 (Inclusive) Adjourned Debate (Term 29 — Hon. A.S. Mifflin).
Page 801-804 (Inclusive) Adjourned Debate (Term 29 — Hon. F.W. Rowe).
Page 804-805 (Inclusive) Adjourned Debate (Term 29 — Hon. W.J. Keough).
Page 805 Election Call??
Page 806-811 (Inclusive) Adjourned Debate (Term 29 — Hon. L.R. Curtis).

Page 811-813 (Inclusive) Adjourned Debate (Term 29 — Hon. A.M. Duffy).
Page 813-815 (Inclusive) Adjourned Debate (Term 29 — Hon. B.J. Abbott)
Page 815-820 (Inclusive) Adjourned Debate (Term 29 — Hon. J.D. Higgins).
Page 820-821 (Inclusive) Adjourned Debate (Term 29 — C. Sheppard).
Page 821-824 (Inclusive) Adjourned Debate (Term 29 — I. Mercer).
Page 824-827 (Inclusive) Adjourned Debate (Term 29 — Dr. J.M. McGrath).
Page 827-829 (Inclusive) Adjourned Debate (Term 29 — C.M. Lane).
Page 829 Resolution (Term 29 — Hon. J.R. Smallwood) Dissolution of the House.
Page 844 House divided on Motion — Yeas (31) Nays (2).
Page 845 Prorogation — Speech from the Throne.

NOTE: This was the last time the Provincial Legislature met in the Colonial Building.

NEWFOUNDLAND HOUSE OF ASSEMBLY

List of Members

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The Hon. Myles P. Murray Q.C.,
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William R. Smallwood, Esq.,
Claude A. Sheppard, Esq.,
The Hon. Philip J. Lewis, Q.C.,
and Matthew P. Whelan, Esq.
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The Hon. Frederick W. Rowe,

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District of Bonavista North
District of Burin
District of Burgeo and LaPoile
District of Bonavista South
District of Carbonear-Bay de Verde
District of Ferryland
District of Fogo
District of Fortune Bay and Hermitage
District of Gander
District of Grand Falls
District of Green Bay
District of Harbour Grace

District of Harbour Main
District of Humber East
District of Humber West
District of Labrador North
District of Labrador South
District of Placentia East
District of Placentia West
District of Port-au-Port
District of Port de Grave
District of St. Barbe
District of St. George's
District of St. John's Centre
District of St. John's East
District of St. John's North
District of St. John's South
District of St. John's West
District of St. Mary's
District of Trinity North
District of Trinity South
District of Twillingate
District of White Bay North
District of White Bay South