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VERBATIM REPORT

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SPEAKER: THE HONOURABLE GEORGE W. CLARKE

The House met at 3:00 P.M.

Mr. Speaker in the Chair.

NOTICE OF MOTION:

HON. J.R. SMALLWOOD(PREMIER): Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a Bill entitled, "An Act Respecting Collective Bargaining Between Certain Fishermen or Associations of Fishermen and Certain Persons or Association of Persons Engaged in the Processing of Fish in the Province," and a Bill, "An Act To Amend The Trade Union Act, 1960."

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

COMMITTEE OF SUPPLY:

MR. CHAIRMAN(NOEL): Heading VII - JUSTICE, page twenty-five.

MR. CROSBIE: Just before we go down through the Minister's estimates, Mr. Chairman, I wonder could he give us some information on the Ombudsman Legislation that was passed last year. There has been no announcement yet as to when this Act is being proclaimed or as to whom the Government proposes to appoint as the Ombudsman for the Province. Could the Minister give us some information on that?

MR. CURTIS: Mr. Chairman, I am not ready to make any statement on that but as soon as we are ready I will make a statement on it.

MR. CROSBIE: Before the item carries, Mr. Chairman, could the Minister tell us whether there has been any Legislation contemplated with respect to the question of setting up an Appeal Board for appeals, an independent appeal board to which people can appeal who have applications before the Government for licensing of permits, who are turned down. For example, the Newfoundland Liquor Commission, as it is well known, applications for permits or revoking of licenses and so on are all done at their discretion and there is no provision for any Appeal Board. Is the Minister contemplating any such Legislation?

MR. CROSBIE:

I notice that in Ontario there is a report by the former Chief Justice MacLure, in connection with administrative law and civil rights in the Province of Ontario, where ^{it} recommends a series of principles that should apply in the field of Administrative Law. For example, a person whose rights are being affected by a tribunal should have an opportunity to be heard by that tribunal. That is something that is badly needed here in the case of applications for liquor licenses and others. There is no requirement now that the person whose rights are being affected has to be heard by the tribunal. Chief Justice MacLure recommended that, where a tribunal had made a decision affecting a person's rights that person should have the right to written reasons, if requested. This is not now the law in this Province, Mr. Chairman. In any situation where a person has to receive a license or there has to be some decision made by Government Tribunal there is no requirement in our law that the person whose application is turned down be given a written reason, and that is a reform that is badly needed.

The Chief Justice also recommended that if a Tribunal has given a judicial decision, distinct from an administrative or policy decision, the person whose rights are affected should have the right to have the decision reviewed by some body, and he recommended a divisional court or to another body, it might be an administrative court, so that there would be an opportunity to be heard and to present a case. Is the Minister familiar with this Mr. MacLure Report and has there been any consideration given to some of these changes in the law being implemented in this Province?

MR. CURTIS: With this type of Report, Mr. Chairman, we usually wait until the Government to whom the report was directed makes a decision and brings in Legislation. I am not aware that any Legislation has been brought in pursuant to the recommendation of Mr. MacLure. But

MR. CURTIS:

when Legislation has been brought in, it will mean that the report has not only been adopted with after thoughts; then we might well look into the situation here.

On motion, 701(01), (02)(01), (02), (03): 711(01), (02)(01), (02), (03), (09)(01), (02), (03), (04), (05); carried.

MR. CROSBIE: Mr. Chairman, on 712(01), there are recent reports, I do not know if there is any accuracy to them or not, that there is a possibility of further appointments to the Supreme Court or to the District Courts of the Province. Could the Minister tell us is there any contemplation that the size of the Supreme Court in Newfoundland is going to be increased or is there any consideration being given to appointing district court judges? For example, the district of Trinity-Conception now does not have a judge. It is looked after by Judge Whalen, I believe, there is Trinity-Conception, Burin-Burgeo, Humber-St. Georges has a judge, Grand Falls, White Bay-Labrador has a judge, St. John's West and St. John's East. So there are three districts without them - Burin-Burgeo, Trinity-Conception and Gander-Twillingate.

So could the Minister tell us whether there has been any discussions held with Ottawa as to whether there are to be appointments to any one of those district courts or any new Supreme Court judges?

MR. CURTIS: Mr. Chairman, when we ask Ottawa, Ottawa will prepare the way for us to make these appointments, but I have no present intention of increasing the number of judges.

MR. MARSHALL: Before it passes, Mr. Chairman, on this Supreme Court Salaries, I notice that there is a reduction in the salaries for the administration of the Supreme Court itself. This is unusual to see a reduction in salaries with the staff going up in other areas of the Government activity. I feel that certainly the Supreme Court could use more staff and I wonder what is the explanation for the

MR. MARSHALL:

cutback in salaries? I understand, for instance, that there is a contemplated increase in the quota, an increase in the authorized posts, although it may not be anticipated to appoint an assistant registrar, I believe is what is contemplated, yet the vote here for the salaries to carry out these duties is less. I wonder if the Minister could inform the reason why?

MR. CURTIS: Mr. Chairman, the reduction there is a very small one but I understood the vote had been favoured last year.

On motion, 712(01), (02)(01), (02), (03); 713(01), (02)(01), (02) carried.

MR. CROSBIE: In connection with the Magistrates, Mr. Chairman, I wonder could the Minister tell us what the situation now is with respect to the taking of evidence in the Magistrates Courts in the Province? Is recording equipment now in use by all the magistrates who are presently sitting in the Province, so that the evidence is all recorded and can be transcribed in the event of an appeal? Could the Minister just bring us up to date on this situation?

MR. CURTIS: Seven of our courts, Mr. Chairman, have been equipped with recording instruments. I might say that some of them are used but I cannot say that all of them have been used. I think we are gradually getting the Magistrates used to using them and we are ready to install additional equipment. There was a provision made this year so that we can install additional equipment as soon as we see the Magistrates are making use of them. It takes a while for a man, who has never had this recording equipment, to organize its use.

For that reason I do not think we have gotten full benefit out of the installations we have installed, as yet, but we are keeping a close eye on it and just as soon as we can get the Magistrates used to using them we will supply them.

On motion, 714(01), (02)(01), (02), (03), (05), (06): carried.

MR. CROSBIE: Sir, 715(01) is the penitentiary, Mr. Chairman. In connection with the penitentiary, are there any present plans for the construction of any new facilities to the penitentiary or the construction of a new penitentiary or any recreation or other facilities down there at the penitentiary?

MR. CURTIS: I am very much worried, Mr. Chairman, about the penitentiary and I have never been proud of it and I have been looking into the matter of cost. I remember there was some reference on "open-line" the other day, to the effect that some of the cells did not have water and sewerage. We installed that in two cells and it cost us \$3,000. per cell. That was when my hon. friend was in the Department. The latest price we get is \$40,000. just to install water and sewerage in these cells; and I do not think that even that will be satisfactory. To rebuild the interior of the old penitentiary would cost us \$400,000. and that is a large amount and it is a thing that I think we will have to do. I have been hoping that we could get the Federal Department of Justice to put a new penitentiary in Newfoundland and then we could house our inmates and pay them so much per diem for their keep. That is the reason the penitentiary reached the low ebb that it has. Mind you, there are parts of the penitentiary that are thoroughly modern. There are a number of cells that are ultra-modern, but the old section of the penitentiary gives us a lot of worry. It would maybe cost us \$400,000 to rebuild just the interior of the present penitentiary, and my friend's department charged us \$3,000 each to put in toilets in two cells.

I do not know what the answer to the penitentiary is but I can assure the House the matter is being watched very carefully and I hope that the next minister who takes my place will be able to report that we shall have a penitentiary to be proud of. I am not proud of the present one. The prison camp I am proud of.

MR. MARSHALL: I would like to question the Minister further on that then. Here again we have an over-all reduction in the salaries and if the penitentiary is not in good shape - still we are talking about warders of the penitentiary itself, their salaries are less being paid than last year and also the fact that in addition there will be a normal increase in the salary to these people down there, I presume. Here again I wonder why it is lower, I mean are less people employed this year than last year?

MR. CURTIS: The salaries of the wardens are presently under negotiation with the officials and with the wardens and with the Government.

MR. EARLE: Mr. Chairman, on the question of penitentiaries, I wonder if the Minister could tell us what is going on down there by way of training, educational programmes or vocational programmes or anything of that nature to try to really rehabilitate the prisoners? Any changes in that, any progress? It seems that in all Provinces that is something we hear quite a lot about, all the time in trying to rehabilitate prisoners. Is there any programme of any substantial dimension for this sort of thing in our prisons? Has there been anything been done or is it just a straight educational programme or what is it? I have not heard anything about it for a long time.

MR. CURTIS: We have a pretty good educational programme down at the penitentiary, Mr. Chairman, and I understand some of the inmates have improved their scholastic position very greatly while they are there. It is rather difficult to get prisoners to work. Some years ago we put in a plant there making cement blocks. The minute you do that you are competing with outside industries and get into trouble. Years ago, you will remember, they made brooms. Then we gave up the broom factory and passed the business over to the CNIB. They have had to drop it.

It is very difficult just to find what work to do. I am hoping

MR. CURTIS:

that the Government will see its way clear to do renovations to the building, because the prisoners can help doing that type of work, construction work. They can do that and it would keep them occupied and it would mean that the work will be done for a little less money. But it is difficult to train them down there. There has been a lot of talk of a glorified gymnasium and I have not been able to get the Government to agree that we should find the money for it. They wanted \$300,000. or something like that.

It is quite difficult to know what to do. My predecessor made it a practice of sending all Federal business to Dorchester and that did lessen the pressure of it somewhat. But really, unless we can get them at the Prison Camp, we cannot really give them much term and, of course, the desirable prisoners, the people who show promise, mostly go to the Prison Camp. There, of course, they do learn some trades and some work, but at the penitentiary there are really no trades being done.

On motion, 715(01), (02)(01), (02), (03), (04), (03)(01), (02), (03), (04), (05), carried.

MR. EARLE: On (06), Mr. Chairman, Farm Industry. I presume that is the Prison Camp, is it? There seems to be a decrease in the vote this year from \$42,000. to \$29,000. Is that operation still going ahead or has it been phased out or diminished or what is happening there?

MR. CURTIS: I think that only means, Mr. Chairman, that they are buying fewer cattle. They are stocked up with their own cattle.

On motion, 715(03)(06), (07) carried.

MR. CROSBIE: On (10), Mr. Chairman, this is for the dieting and attendance on prisoners in jails. The amount is reduced \$10,000. this year as compared to last year. Could the Minister tell us why

MR. CROSBIE:

that is? Is there an estimate that there are going to be less people incarcerated in jails this year than last year or why would the food allowance be decreased by \$10,000. from \$60,000. to \$50,000.?

MR. CURTIS: Mr. Chairman, I have been told that that is enough. I suppose it is enough, I do not buy the food.

MR. CROSBIE: The Minister says that he has been told that this amount is enough but surely he must have been given some reason why it is enough. Last year the revised estimate is \$60,000. and this year, which is a revised estimate, last year in the estimates -

MR. CURTIS: But the fact that it was \$60,000. in the revised estimates does not necessarily mean that we spent all that.

MR. CROSBIE: Then what was spent then? What is the actual? Actually last year the Minister only ask for \$36,800. in last year's estimates but the revised estimate shows \$60,000.

MR. CURTIS: I will try to get that information for the hon. member.

MR. CROSBIE: Could the Minister tell us how many prisoners are there now in the penitentiary and how many are there now in the jails in the country? Does the Minister have the statistics on that?

MR. CURTIS: No but I can get them.

MR. CROSBIE: Could you get that for us?

MR. CURTIS: Of course.

MR. CROSBIE: Is the Minister of Health getting ready to take over a new portfolio?

MR. ROBERTS: No, the Minister of Health happened to be reading a report of the Department on penitentiaries the other day and accordingly he knows something about it.

MR. CROSBIE: I see. It is rumoured that the Minister is going to have a new portfolio.

MR. ROBERTS: The Minister has hopes of holding on to his present one

MR. ROBERTS:

for a day or so. As the hon. gentleman knows full well, it is a hazardous portfolio.

MR. CROSBIE: Health is, yes and Justice is also.

MR. ROBERTS: Very high in mortality rates.

MR. CROSBIE: Well anyway the Minister could get us those figures, could he? We do not want to bother the Minister or disturb him or excite him, if getting that information is going to trouble his tranquility we certainly will not press for it.

On motion, 715(03)(11), (12), (13); 716(03)(01), (02), (03), (04), (05), carried.

MR. CROSBIE: (06) is Registration of Jurors and the amount the Minister is asking for this year is \$2,500. and the amount that he ask for last year was \$2,500. Now, Mr. Chairman, there is an amendment to the Judicature Act before the House now and, if that is passed, of course, there is going to have to be quite a bit of money spent on the registration of jurors.

MR. CURTIS: There will be about twice as many jurors and it will probably cost twice that amount.

MR. CROSBIE: But could the Minister give us some information on what his plans are in that respect and on how he is going to operate because, certainly, \$2,500. will not be enough, to add to the list now the names of the women of Newfoundland?

MR. CURTIS: There is an amendment before the House now, Mr. Chairman, to the Judicature Act and until the Judicature Act was passed we could not estimate the additional cost. We will not know until the Judicature Act passes just what the increase cost will be. These estimates were prepared long before the Judicature Act was drafted and in that respect the estimates will probably be below what we need and we will have to get supplementary supply.

On motion, 716(06) carried.

MR. CROSBIE: (07), Mr. Chairman, is Jurors' Fees and Other Expenses, and the amount provided is \$11,000. It has been suggested by, I believe, the Newfoundland Federation of Labour, among others, and when I wrote the Premier before this House met, the Minister may remember I wrote the Premier and made certain suggestions for reforms that he might bring in this year and some of which the Premier was kind enough to include in the Speech from the Throne. Among the reforms I suggested were the increasing of the fees paid to jurors when they had to sit on Supreme Court cases or other cases to allow for the fact that if they were away from work for a day, particularly if it is a working man, a carpenter or a labourer and so on, that they lose a lot more money than they are paid in jurors's fees. I think the amount paid a juror in a criminal case is something like ten or twelve dollars a day and in civil cases I think it is less than that.

Is the Minister giving any consideration

MR. CROSBIE: to increasing the amount paid. Could the minister tell us first what are the jurors fees that are now paid, and whether any consideration has been given to increasing payment for jurors or what he plans to do about that? Yes, the Newfoundland Federation of Labour, in their brief presented to the Government on May 19, on page 11 it says; "jury duty, workers want to fulfil their obligations as citizens. However, workers who are selected for jury duty suffer a loss income which they cannot afford. The allowance for jury duty should be upgraded to permit full compensation for lost wages." Could the minister tell us if that has been contemplated?

MR. CURTIS: We have given the matter some thought, Mr. Chairman. We pay at the present time \$5.00 a session, \$5.00 for a morning, \$5.00 for an afternoon, and if the jury comes back in the night he gets another \$5.00, that is \$15.00 a day, when they have three sessions. We feel that we can hardly afford to increase that, and that we should not. On the other hand, perhaps we should. I mean it is an open question. It is one that is worry us and causing us some worry, particularly since we have had requests about it from the Federation of Labour. But there are limits to how far you can go. Fortunately, in this country you have not got those long jury trials that stretch out into months, like they have in other jurisdictions.

We feel that it is one's duty to serve on a jury. It is a privilege really. But the time is come, I think, when we are going to have to increase the fees. I might say when we increased them to \$5.00 a session, it was a huge increase on what had been paid formerly. We may have to consider it.

On motion 07 through 08 carried.

MR. EARLE: Mr. Chairman, 12 - Contingencies - there was only \$300 voted last year the amount was \$8,000. Are there to be no contingencies? It is rather hard to predict, I would imagine. But, the small vote of \$300 as against \$8,000 last year. What was actually spent last year? On what?

MR. EARLE: Contingencies vote - \$8,000 now \$300.

MR. CUPTIS: I really do not know, If the hon. member wants the information, I will get it for him.

On motion item carried.

MR. CROSBIE: 14 - References to Supreme Court of Canada re Offshore Mines. Mr. Chairman, I wonder could the minister, (I hate to ask the hon. minister a question because we are not getting much in the way of answers) could the minister tell us something, what is the status, it says here, "references to Supreme Court of Canada re Offshore Mines," This year only \$100 has been asked for, last year there was \$30,000 asked for, in the estimates last year, and, according to the revised estimate, only \$10,000 spent. Now just what is the status? This has to do with our claims to the oil, gas and minerals that lie off the shores of Newfoundland. We know there was a reference to the Supreme Court of Canada, from British Columbia, the Government of Canada was successful in, which I think decided that the Government of Canada had the right to offshore minerals, oil and gas and so on off the coast of British Columbia. There is suppose to be a reference, if the Provinces and the Government of Canada cannot agree. There is suppose to be, if matters are not settled between the provinces and the Government of Canada, a reference to the Supreme Court of Canada about our position or the position of other provinces. And, of course, there is no question, Mr. Chairman, that could be more important in this Province, I would not think, than the question of ownership of the offshore mineral resources off our coast and on the Grand Banks, as to whether we have the valid claim or the Government of Canada has the valid claim. I know that we have retained eminent counsel in Ottawa. I know that the minister has assigned Mr. Cyril Greene, formerly Deputy Minister of Justice, He was put on this matter in particular last fall or at least he left the Department of Justice and he is now suppose to be special legal advisor to the Cabinet and in particular to be working on this reference to the Supreme Court of Canada.

MR. CROSBIE: Well, Mr. Chairman, is there going to be a reference to the Supreme Court of Canada? Is there being any legal work done on this? If there is going to be a reference, when is it going to be proceeded with? Have the terms of reference of the Supreme Court of Canada being agreed between the Government of Canada and this Province? What is happening on this whole question? If we are found to have the ownership of the possible minerals, oil and gas resources off our coast, we would end up to be in a very healthy financial position in this Province, Mr. Chairman, even if oil or gas were discovered there this year, although it might be a few years before the full effects are felt, if we have the ownership then of course we are entitled to all the royalties and other income that would come with that. So that, this is a very important question for this Province.

Now this vote has been here in the Department of Justice for three or four years now. Could the minister tell us just what is happening, what are the lawyers doing? Is this case going to be proceeded with? What is the position on it?

MR. SMALLWOOD: Mr. Chairman, I hesitate to delay the passing of the estimates for the Department of Justice, because we have other departments whose estimates have to be considered. Yet, the matter that the hon. gentleman has just raised is one of supreme importance to this Province. If we do not agree on anything else, we do at least agree on that.

Obviously, if oil and gas are found off the coast of this Province, it means an awful lot whether the financial returns from those riches come to the Treasury of this Province or go to the Treasury of Canada, at Ottawa. It could make a staggering amount of difference in the prospects of this Province. Let us assume, for the sake of argument, that great quantities of oil and great quantities of gas are found off the coast of Labrador and off the coast of this Island. Let us assume that great amounts of money will be paid by the companies who find and develop the

MR. SMALLWOOD: oil and gas, to someone. They will pay it either to the Government of Canada or to the Government of this Province, one or the other. If to the Government of this Province, it will be a staggering, an absolutely staggering amount of cash income every year, a staggering amount. You have only to look, for example, at the State of Louisiana, State of California, or the Province of Alberta to see what the income from oil and gas could mean in the progress of a people. If, on the other hand, these vast amounts of tax revenue, royalty revenue should go to the Government of Canada, at Ottawa, and the Government of Canada retain one-half of what they collect and distribute the remaining half among the ten provinces, even if they do it on an equal basis that each province gets one-tenth of half, that is to say, that the Government of Canada keeps half and distributes the other half among the ten provinces, at the rate of one-tenth of the half to the ten province, even then the amount of revenue that would come to this Province could be small, quite small compared with all of it coming to this Province.

This is, of course, one of the really great issues facing Canada today, an issue of supreme or almost supreme importance. Now the Government of the Province of British Columbia took the case to the Supreme Court of Canada or was it the Exchequer Court? It was one or the other. Supreme Court, I think, of Canada, and on the evidence and arguments adduced by the Government of British Columbia and by the Government of Canada the Supreme Court found in favour of Canada, of the Government of the Nation. Newfoundland had a lawyer present at this case, as an observer, but it was not our case, it was British Columbia's case.

I asked the Prime Minister of Canada, when that office was held by Mr. Pearson, to drop the idea of having the matter settled judicially, by a court judgment, and have it settled rather on a political basis.

MR. SMALLWOOD: In other words, by agreement between the Government of Canada and the Governments of the ten provinces, a political decision, on the political level. I was the one who raised that. I was the one who proposed it. The Prime Minister of Canada, Mr. Pearson, said that while he had a certain amount of sympathy for that way of doing it, he nevertheless felt that the matter was a constitutional matter and that it ought therefore to be given a judicial judgment. Then he said; "if the provinces win that settles the matter. If Canada wins we will deal generously with the provinces." And the provinces had to be satisfied with that decision of the Prime Minister and the case did go to the Supreme Court, on option, on the initiative of the Government of British Columbia, and the Supreme Court of Canada ruled in favour of the Government of Canada.

Now there has been no further action in the Supreme Court. This is the only opinion that has been rendered by any court, as far as I know.

The Newfoundland Government feels strongly that we have a special case that no other province has. But we have not decided to take it to court. though we do feel that we have a better case than British Columbia had or than has any other province. We have not taken it to court, because we feel, still feel, that it ought to be decided on a political rather than a judicial level.

Let me give you, Mr. Chairman, an illustration what I think has a perfect bearing on this case -- perfect. There was a time in Canada, and this was before we were a province, when the Government of Canada had more territory on the Continent than she has today. Today the Government of Canada has the Northwest Territory and the Yukon and no other, but there was a time when all the land north of a certain line across Quebec belonged to Canada and not to Quebec and all the land north of a certain line in Ontario belonged to Canada, and all the land north of a certain line across Manitoba belonged to Canada, just as today all the land

MR. SMALLWOOD: north of a certain line across Saskatchewan and Alberta and British Columbia belongs to Canada - Federal Territory. So it was in Quebec, Ontario and Manitoba, up to a relatively short time ago.

Now what happened? What happened, Mr. Chairman, is of the utmost importance when you remember that, in the view of the Supreme Court of Canada, in the case of British Columbia versus Canada (in that case) that the land belongs to Canada, the land lying offshore is Federal land. True there is water over it. True there is salt water over it, but that land belongs to Canada, just as the Yukon does, just as the Northwest Territory does belong to Canada. So that land belongs to Canada, not to the Province of British Columbia. Just as the land that lay north of Quebec and lay north of Ontario and lay north of Manitoba belonged formerly to Canada, so the Northwest Territory and the Yukon now belong to Canada, so the land lying off the Pacific Coast and the land lying off the Atlantic Coast belongs to Canada.

Now let us assume that to be the case. Let us assume that to be the case. What happened in fact, historically? In fact, as a matter of fact, what happened is that the Government of Canada gave to Quebec a gift of a huge stretch of land that belonged to Canada. It did not belong to Quebec. The Government of Canada gave to Ontario a gift of a huge slice of land, Federal land that belonged to Canada, gave it to Ontario as a gift. And they did exactly the same thing to Ontario. Just as though they were now to take the Northwest Territory and give it as a gift to British Columbia and, say, Alberta. and they were now to take the Yukon, whichever it is, (I forget which is west and which is east) if they were to give the Yukon and the Northwest Territory now, as gifts, unincumbered gifts, to the two provinces beside which that Federal land now lies; they would only be doing what they did when they gave the Federal land to Quebec, Ontario and to Manitoba.

MR. SMALLWOOD: Now this is what happened historically. I am not making this up. This is what in fact happened in the history of Canada. Now you have other Federal land, if you can assume it to be Federal land, if it is Federal land, as the Supreme Court said it is, if the land lying off the coast of this Island and the Coast of Labrador is truly Federal land, if it is, as the Yukon is, as the Northwest Territory is, if it is really Federal land, why should not the Government of Canada give that land as a gift to the Province of Newfoundland, the part that lies off the Province of Newfoundland, to the Province of Nova Scotia, the part that lies off the Province of Nova Scotia and so on, as exactly they did, as they did precisely to Quebec, Ontario and Manitoba? If it were right to do it then, it is right to do it now.

Indeed, there is a stronger case for doing it now than there was for doing it then, because of this fact, but certainly so far as the Atlantic is concerned, the Atlantic Coast is concerned, it is precisely on the Atlantic Coast that the have-not provinces lie, Newfoundland, Prince Edward Island, Nova Scotia and New Brunswick and all the eastern half of Quebec or the have-not parts of Canada. Canada with magnificent precedent, as found in the cases of Quebec, Manitoba and Ontario in between, receiving gifts from Canada of land, with magnificent precedent can say; "we can propose to do the same thing that we did in those cases and there is a better case for doing it now because we are doing it now to help redress the just grievance of these have not provinces, as part of our whole philosophy of reducing regional disparity.

So when Canada gave to Quebec a great slice of Federal land and gave another great slice to Ontario and another to Manitoba, when they did that they did not share it with the remaining provinces. So now in, giving us, if they gave us the land that lies off our shore, which, if it is Federal, they have a right to do, if it is Federal they have a right to give it to us, as they gave it to Quebec and they gave it to Manitoba and to Ontario. So they have a right to give it to us and they have a right

MR. SMALLWOOD: to give it to us without anyone else sharing in it, because no one else shared in the gift they gave Quebec, Ontario and Manitoba.

What they suggest, what the Prime Minister has suggested to the provinces (we have not accepted it) is that they will not give it to us as they did to Quebec, Ontario and Manitoba, they will hold on to it. Any royalties they get from it, they will keep as to one-half of them and as to the other half, they will not give it to the provinces in which it will exist but they will divide it among the ten provinces. Now I ask this question. I asked the question, why should Ontario get a share of the riches of the Federal land lying off Nova Scotia or Newfoundland? Why should they get a share of those riches when in fact Nova Scotia did not get a share of the Federal riches that were handed as a gift to Ontario? Why? That is our case and this is the case that we are putting to the Government of Canada. I personally think it is unanswerable. Maybe legally it is answerable, maybe constitutionally it is answerable but morally it is unanswerable. It is ironclad. It is irrefragable. It is indubitably. There is no answer to it.

This is what some of us have agreed to put to the Conference next month, in Victoria. I hope to get the opportunity to state this case publicly to the people of Canada, over television, in Victoria next month. They are going to televise a substantial part of the conference, and I hope to seize that opportunity to state that case. Namely: that even if Ottawa insist that they own this land, as they once owned the land north of Quebec, Ontario, Manitoba, if they insist that they own it, that they give it to us, as they gave it to them, and they give it to us without sharing it with the other provinces, as they did, then that they give it to us for the additional reason

Mr. Smallwood.

that, in addition to being historically justified and well precedented, magnificently precedented, in addition to that it would help the needy provinces, the underdeveloped provinces, the provinces which regional disparity hurts, as it helps other provinces. Because remember that disparity means some are up and some are down. The very measurement of disparity is the richest of the provinces. Compared with them, other provinces are very disparate, very down, very poor, by comparison. This would be a method of helping the provinces which suffer most from regional disparity.

Now this is the reason why - I hope my hon. friend from St. John's West, who I know has been interested in this matter, he has spoken of it repeatedly. I hope that he will be big enough to see two things: (1) that we have not ignored. We have retained one of the most brilliant lawyers in Canada. We have his opinion, that we are not ignoring it. We are right not - at least not yet - to take it to the court and that we are right in trying to keep it on a purely political level to get a decision that is morally right, no matter what it might or might not be constitutionally. I hope you will agree with the position that we are taking.

MR. CROSBIE: Mr. Chairman, I am sure that when the Premier makes his presentation we will all be watching with interest. He has made some persuasive presentations at these conferences before. I have no doubt that he will do a good job with this one. Only the Government can know what legal advice the Government have tendered. A political settlement of this issue would be the best one. All I can say on the point is this; Mr. Chairman, that for the Government of Canada to ask us, that is the Province of Newfoundland or the other Maritime Provinces, to accept a proposal where they would share fifty per cent of the revenue, oil, gas and other minerals off our shores with the other provinces of Canada is just too laughable to consider. I have

Mr. Crosbie.

no doubt that the Government would not for a moment accept such a proposal. Why should this Province - I understand that we have 6,000 miles of coastline and that we claim about fifty-two per cent of the total Eastern offshore permit area. In other words I am going now by a news letter of the Atlantic Provinces Economic Council, February, 1971, where they say we feel that we have a claim to fifty-two per cent of the total Eastern offshore permit area. Why should this Province be expected to share fifty per cent of the revenue with all the provinces of Canada, including Ontario and including Manitoba and including Alberta, Sackatchewan that are not on any sea coast at all? To my mind that is just ridiculous. Any government of Newfoundland that would accept such a proposal would very quickly find itself out of office. Apparently that is the proposal. The proposal is: That we would retain jurisdiction over a limited inshore region and that the rest of it; Ottawa would subdivide the revenue, fifty per cent to all the provinces and fifty per cent to the Government of Canada at Ottawa. That would not be acceptable, Mr. Chairman but would only be acceptable if we were advised that we had little or no chance that this matter proceed to the Supreme Court of Canada. It certainly would not be acceptable otherwise. What the Premier puts forward, what the Premier says that the Government of Newfoundland will ask for, which is that we get one hundred per cent of this pie, if there is a pie there, if the Federal Government own it, is certainly eminently desirable, sensible and practical. But if that turns out not to be acceptable, certainly I am sure this House expects and I know the Premier will do no less, that we do not expect the Government to accept or to even consider accepting fifty per cent of the revenues, our share of fifty per cent of the revenues to be divided among ten provinces - never!

MR. SMALLWOOD: One-tenth of half.

MR. CROSBIE: One-tenth of half. If it goes - I do not know how they divide that, whether each province would just get one-tenth or whether it would depend

Mr. Crosbie.

on your coastline. It do not think that we should ever accept that. After all if we are lucky enough to be situated on an area that is going to produce oil and gas...

MR. SMALLWOOD: No! No! No! It is not a matter of luck. It is a matter of good Government - good Liberal Government. That is why the oil and gas are out there.

MR. CROSBIE: The reason why we need oil and gas...

MR. SMALLWOOD: Do not try to take the credit from us.

MR. CROSBIE: The reason why we need the gas and oil revenues so badly is because we got a good Liberal Government. We have even greater need for them than we might have had. But certainly I am sure the Premier is not going to (He has not to date) nor the Government would accept this suggestion. I feel sure that both sides of the House will bank the Government to the hilt in not accepting such a puny settlement as the one that is being offered. At the very least we should get fifty per cent. I am not saying that this should be accepted. At the very least, it should be fifty per cent of the oil and gas revenues of the area that we claim off our shore, I hope nothing less but a great deal more.

In addition to what the Premier has said, could the Minister of Justice explain, would a \$100 in the vote this year indicate that there is not going to be any legal work on this matter this year or at least very little? I assume that is because the Government are taking a political approach which may or may not be successful. Is Mr. Cyril Greene doing any work on this? What is the position with respect to Mr. Greene? I gather from what the Premier has said the Government do not accept the offer that Mr. Trudeau's Government made, that we are still pursuing political means to get a better offer, which the Premier intends to press in British Columbia. We do not want to go to the Supreme Court of Canada unless we cannot get any satisfactory offer from the Government of Canada. So would the minister just

Mr. Crosbie.

bring us up-to-date on the legal position? Does he not expect any legal work this year?

MR. CURTIS: Our officials, Mr. Chairman, are pursuing the matter to get all the latest knowledge so as to advise the Government just where we are. I do not care to go beyond that.

MR. EARLE: Mr. Chairman, there is one aspect of all this which I think rather escapes notice. We all seem to feel that maybe millions of dollars of wealth are boiling from the bottom of the seas out here. Let us hope that that proves to be the case. We hope that we will reap and estimate of balance whether it is fifty per cent, or ten per cent or whatever the legal chaps eventually come around to on this. I hope that Newfoundland gets its just share by all means. But the other aspect of it is, which worries me, if in fact it is not an asset to us but it turns out to be a marine tragedy, should the oil companies who are ..

MR. SMALLWOOD: Point of order! I missed the ..

MR. EARLE: Should this turn out to be a marine tragedy and not an asset - we have heard a lot about what the Cabinet or the members of the Cabinet saw, what was going on on the Louisiana Coast and so on, where they are drilling in the mud flats. I think any amateur who knows nothing at all about the oil business would realize that conditions on the Grand Banks of Newfoundland or off the shore of Newfoundland must be inestimably more difficult than anything that could be encountered off the Louisiana Coast. Now we have seen great tragedies happen off the shore of California where enormous oil spills have taken place. They have done a tremendous amount of damage. In the event that oil is discovered off the Grand Banks and in spite of all the engineering marvels and the precautions that these companies may take - we are told from people who are knowledgeable in the business that they are taking every possible precaution - but in the event that all of this breaks down at some point and there is a terrific spill, which might well damage the fisheries off the coast of this Province for centuries to come, There is

Mr. Earle

every possibility that anything of that magnitude would have an everlasting affect, for generations. Supposing we do not reap great benefits from the oil but we do reap a great tragedy and the destruction of the fisheries, who will compensate us for that? Will the Government, the Federal Government, be willing to pay off Newfoundland for a great loss of great industry? We hear that the Minister of Transport is putting in very stringent regulations about the transportation of fuel oil and so on, bulk oil. But there are all sorts of problems which might well arise on the Grand Banks which I think even the experts today cannot anticipate or do not know too much about at this stage of the game. It seems to me that this Province is so vitally concerned about what might happen out there, that, in any talks we have with Ottawa, we should also not be just looking for just a share of the wealth, but we should also be looking to protect ourselves from any disaster that might occur. It is all very well to say that every precaution is being taken. These people know their business. It is just not going to happen. How do we know? It is something entirely new and in an entirely new area. If such a thing should happen, it would be the Province of Newfoundland, the coast of Newfoundland that would suffer.

Now when the delegation had returned from Louisiana and I was listening to some of the reports on that which were given over television, particularly people who were interested in the fish, such as Mr. Etchegary and others, apparently there was a great concern in their minds. They were not at all satisfied with what they saw. Perhaps they did not have the full knowledge necessary but still they were sufficiently alarmed to express an opinion on it. What I am doing here now is expressing a concern; if the thing should turn the wrong way. If it should not develop to be just a flow of wealth from the ocean bottom but a flow of disaster, cannot there be some precautions taken in advance that Newfoundland in some way will be compensated? We have, we are told, some of the best legal brains in Canada trying to work on these offshore arrangements, the mineral rights and so on. I do not think that a token vote of \$100 will pay very much towards the retention of these people.

4444

Mr. Earle.

But, at the same time, are they thinking about the other aspect of the thing? Are we pressing our case? We here in Newfoundland are the ones who should be pressing. We cannot, in a thing of this nature, rely on the Federal Government to watch our interests. Well intentioned as they may be, I do not think they are as close to the problem as we are. Certainly, if any disaster happens they will be a lot further away from it than we are. So I wonder if, in all these legal preparations and so on,

there are any precautions being taken against the thing going all the wrong way instead of the right way? I wonder what our department is doing, in its advice to the legal people who are working on this, as to considering that approach to it.

MR. SMALLWOOD: I do not know, Mr. Chairman, to what extent Your Honour would allow a debate now on the practicalities of offshore drilling. It is a vote for legal work. The vote we are debating is a vote for legal work. The vote we are debating is a vote of money for the Department of Justice for the hiring of lawyers. To what extent would we be in order to discuss pollution, the danger of spillage and so on? I have serious doubt that it would be permitted by Mr. Chairman. May I just say this, very briefly, and I will not make a speech about it; the drilling is going to take place whether we like it or not. We have no power to stop it. Canada has no power to stop it. It cannot be stopped. It is in international waters. It is 120 miles off St. John's. That is out in international waters. It is going to take place whether we like it or not. We cannot stop it. What we can do is this: We can use our dry land, our seaports and their need to use our seaports, we can use that as a sort of weapon, if there is any need to use it. I find it that they are even more eager not to have any spillage than we are. They are terribly conscious of the fact that all mankind is watching them, like a cat watching a mouse, you know. They are very conscious of that. So they should be. Of course, they should be. It is a terrible loss to them.

Mr. Smallwood.

It is a terrible disrepute. It is a terrible bad name for them. It is just terrible, from every point of view, to them as it is to us. They are watching that. May I say also, before I sit down, that I think it will be tomorrow or the day after tomorrow a drilling ship is arriving in Argentina, from Israel. It is a fairly large ship. It is not an oil drilling rig but a ship, a complete ship. In fact, she is coming across through the Mediterranean and across the Atlantic, under her own steam. She will arrive in Argentina tomorrow or the next day, this week. She has on board her a drill. It is a ship with a drill aboard. She can go anywhere along and stop, throw down the anchor and put a drill down. She is coming in and going to Argentina where she will spend perhaps six weeks being completely refitted. Then she is going down on the coast of Labrador. She may very well do some drilling down on the coast of Labrador. Then we heard Mr. Brian Higgins announce today that St. John's Harbour is going to see this summer nine - nine different ships servicing offshore drilling rigs. I can tell the committee that the most knowledgeable people are completely convinced. They have no doubt about it that we are in for an absolutely staggering oil boom, lying off the coast of this Province. It is utterly staggering, which makes the present vote that the Minister of Justice is asking for a pretty important one. So we may not in fact or please God we will not, we may not have to spend a single dollar. Just in case we do have to hire lawyers, the minister is asking for this token vote from the committee today.

MR. CROSBIE: Before the item carries, Mr. Chairman, it is very important and I know the Government realize it, for the question to be settled this year, if at all possible. Once oil is found off the shores here, I think everybody is satisfied that it will be, then there are going to be a lot of problems which can only be dealt with by Government, by legislation, by Order-in-Council, by regulations and by one administrative authority. If it is still uncertain that when that time comes whether it is this Government or the Government of Canada or the Government of Nova Scotia that has jurisdiction, it is going to make things very difficult and if there is going to be a political settlement, it is much to be hoped that it will be this year; if there is not going to be

Mr. Crosbie.

a political settlement, the issue will be settled by the Supreme Court of Canada as soon as possible. I have just one other question for the Minister of Justice: This article I refer to, this newsletter about oil and gas that I found very interesting, it also said: "Newfoundland is not claiming at this time control over all offshore metallic minerals. It sees an obvious need for Ottawa to eventually participate in the administration of offshore resources." It says that this should not supersede primary provincial rights. Is that statement correct? At this time there is not a dispute over offshore metallic minerals? It is the other kinds of minerals. I presume that means oil and gas that is being decided now. Is it the whole question of minerals?

MR. SMALLWOOD: The whole question.

MR. MARSHALL: Mr. Chairman, on (16), I wonder if the minister could inform us when he expects the reconsolidation to be available, is it this year?

MR. CURTIS: The first two volumes have been dealt with. I believe they are now being printed. If so, it will only be a matter of a short while before the first two volumes are available for distribution. But the first two volumes, themselves, will be valueless because nobody wants two volumes of a set of Statutes. So immediately the type can be thrown away and remelted. The difficulty has been finding enough type to keep six volumes setup at the one time.

MR. MURPHY: Is it going to be in French, as mentioned a few years ago in the House, or is it just going to be in the English version?

MR. CURTIS: I think just English. In connection with the legal aid, Mr. Chairman, I would like to say how much we, as a Government, appreciate the work which is being done by the Law Society and the Legal Aid Committee, which is headed up by Mr. Finton Aylward. That committee has done a marvelous job. I am hoping to issue a statement shortly. I did intend to say so in the estimates, as we were going through. I thought it would delay the House. I think the situation could just as well be covered

Mr. Curtis;

if I made a statement on it, as I propose to do to the press. But the legal aid people, there was a committee consisting of Mr. Aylward, Mr. - there were several others. I believe my hon. friend was one of them. That committee did do a marvelous job. Legal Aid is a terribly expensive thing in other provinces. I do not know just how we are going to be able to handle it here. I just hear that New Brunswick voted \$300,000 for legal aid. Nova Scotia is adopting a policy that we are presently adopting, that is trying to find a lawyer and have him engaged full-time to just look into the local situation and to make a similar arrangement, a short-time arrangement with some lawyer on the West Coast.

But just as an example: I was talking over the phone the other day with somebody in Toronto. A certain young boy got into trouble. They supplied him with a lawyer. The lawyer gave him two hours one day, an hour and a-half the next day. He sent the Government the bill, for \$590. I might say that these lawyers can get fees like that, we will touch our hats to the doctors. But the matter is very, very serious. I think we have to give legal aid to people. Sometimes I doubt it. When you see a person, with a record as long as your arm, and then expect a lawyer to then go and defend him, at public expense - when a man beats up his wife, sends her to the hospital, critically ill, and then goes to a hospital with a gun and shoots her and kills her, and I have to pay \$2,500 to defend him, it goes against the grain. - capital punishment, no nonsense! In some ways legal aid can get you down and it gets me down in some cases. There are lots of poor people who need lawyers' help and willing I grant it. But to pay out good money to defend criminals, well it goes against the grain. However, that is not the matter which we are discussing at the moment. I am going to ask my hon. friend if he will increase this vote, because the Law Society has agreed to continue for another year. I promised them that we would have \$25,000 available, which is a pure minimum. I am hoping the time will come when the Federal Government will participate

Mr. Curtis

in this vote. But it is a thing we have to watch carefully. I do not think we ought to waste the people's money too much although Heaven's knows I would be the last one. My department stand ever ready and has, ever since I have been there, to give what assistance we can to anybody who find themselves in the unfortunate position of not being able to afford a lawyer.

MR. JONES: Mr. Chairman, I move that Legal Aid (17) be changed from \$10,000 to \$25,000 and that the total subhead and the total department be adjusted to read accordingly.

On motion amendment carried.

MR. CROSBIE: Mr. Chairman, on (17) Legal Aid, as I understand it the Legal Aid Society is now attempting to get a full-time lawyer or with the Government's help are attempting to get a full-time lawyer to act in this Legal Aid Programme. But I have no doubt at all that it is needed. The minister mentioned that there is the question of Government appointing counsel to defend people accused of criminal charges, which the Government do when you are accused of a capital charge such as murder.

MR. CROSBIE: Yes non-capital, right! You cannot be a hanging Minister any longer now.

But this legal aid as a vote is not, although the defence of people charged with crimes and so on is important, I think the matter of legal aid is far more important in other directions and that is that people who do not have money or cannot afford to pay fees have a job to get legal advice. It is far more important for them to get legal advice or there are far more people needing legal advice than there are who face a criminal charge and have to go to the Legal Aid Society for that purpose.

I think this is particularly true in domestic cases. I am not all that familiar with legal aid because I have not been practicing that much and I think that legal aid programme includes matrimonial work. No it does not. It does not include acting in separations and so on.

Well if that is the case, and the Member for St. John's East I think was on the Committee, that being the case, Mr. Chairman, it is a very great weakness in our legal aid programme if it does not provide for the lawyers involved to give advice to people who are having matrimonial problems, in other words people who are separated -

MR. MURPHY: Advice to the lovelorn.

MR. CROSBIE: Right, advice to those -

MR. CURTIS: That is one of the inhibitions they contemplate. I would go so far as to help people get divorces.

MR. CROSBIE: Exactly, the Minister says that these terms of reference will be changed with the increased money and -

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

MR. CROSBIE: It is the lovelorn that often need the most help, Mr. Chairman. It is suprising the amount -

MR. SMALLWOOD: On one hand he encourages divorce and on the other he wants capital punishment.

MR. CROSBIE: It is amazing the amount of misery that arises from matrimony, Mr. Chairman.

MR. SMALLWOOD: It is not to conserve capital punishment

MR. CROSBIE: So I am glad to hear the Minister say that he is going to change that because I find, and I am sure other lawyers do too, that you get an awful lot of calls from people whose husband has deserted them or there is some problem like that. They want to get a separation agreement, they have children, a family court, and they do not have money and if the legal aid programme is being expanded, then this aspect of the law should certainly be included. I am glad to hear the Minister say it will be.

But Mr. Chairman, even with the expanded programme this year, I think that the time is coming and the Minister mentioned that Ottawa is going to get involved in this and I understand they are, the time is coming when you will have to have a full legal aid system as we have in Ontario. Then the people of the Province can consult whatever lawyer they want to consult; they are not restricted to just seeing the one man who is employed by the legal aid office. I think the Member for St. John's East made that point several weeks ago.

I think in Ontario you have an agreed scale of fees insofar as legal aid is concerned, and that the lawyers who participate in the programme are paid three-quarters of the scale. Eventually here in Newfoundland we will be coming to the same thing. But in the meantime, this is a good step forward and I am glad to hear the Minister say that he is going to see the terms of reference are expanded.

MR. MAHONEY: Mr. Chairman, I wonder if the information that my hon. friend for St. John's West has is not absolutely correct. The Legal Aid Division of the Law Society has been providing legal assistances in matrimonial cases and in divorce, in cases where the applicants are not capable of paying themselves and where a certificate is provided by the Welfare Officer in the area. I do know of several divorce cases that were done through legal aid, on a non-fee basis, together with separation agreements and the like. These have been attended to in cases where certain certification has been made by a Welfare Officer that the applicant concerned did not have the necessary means to pay legal fees.

MR. MARSHALL: To clarify that, the situation is legal aid is only available, as the hon. junior member for Harbour Main indicates, but the effect of this is that for matrimonial cases, that it is virtually - it does not help the people involved because it is the exception rather than the rule that, through legal aid, matrimonial cases are handled, this is the way it works out. The hon. junior member for Harbour Main has stated the way it works out in theory, which is correct, and this is the rule that has been laid down by the Legal Aid Committee. But in practice it works out that it is very much the exception rather than the rule and it is this area, particularly this area, that needs attention from the Department of Justice. The major area which it does not cover and on a voluntary system we cannot hope to adequately cover this all important area because of the numbers of cases that arise in this instance. We would be doing nothing else but. But certainly, if a proper programme of legal aid is instituted in the Province, it will have to include this as well as items that have had to be excepted by the voluntary legal aid system.

I note that this is the question I was going to ask the hon. Minister, as to the adequacy of the vote in view of the fact that an expansion in legal aid is being contemplated by the Government. However, I would again point out that while the situation of having a paid employee to administer legal aid, I think that this can only be regarded, at the best, as a temporary situation because the ideal purpose of legal aid is to put the poor person, the person who cannot afford to avail of legal services, in the same situation as somebody who can afford and he, in that case, should have his choice of lawyers. The only way that this can be done is to have a proper system of repayment, not necessarily the whole fee but certainly a portion of it. So I say that while this is a beginning probably, \$25,000 has been voted for the purpose of hiring a full-time solicitor, it should only be regarded as the beginning, that the terms of reference should be very much expanded, particularly to encompass these matrimonial cases and that ultimately the Government should be aiming towards providing a legal aid system where the indigent person can afford to select, or is able to select, the lawyer of

MR. MARSHALL: his or her choice.

MR. CURTIS: As the hon. member said, Mr. Chairman, this is purely an experiment, I believe, since we decided to have the experiment here, I find that this is what is really taking place in Nova Scotia. They are experimenting as we are and this is purely an experiment.

I might say we have not been able to get a lawyer yet. We have advertised but we have only had one applicant. It is pretty hard to get a lawyer. But as for matrimonial cases, the Clerk of the House just told me that he is presently engaged, under legal aid, to look after the respondent in a divorce case, so divorce cases are receiving some attention. I think the Law Society, which has been very generous in this matter, when you realize that the Law Society had the names put down in alphabetical order and every time a case comes up, it goes to the next person on the list, and that the lawyers, without exception, have accepted the responsibility when their turn came, it is a wonderful tribute to them and, as Minister of Justice, I have almost expelled the hon. member from the House.

MR. MURPHY: With reference to (18), has this vote been transferred somewhere? There was \$10,000 in 1969-70, and \$10,000 in 1970-71 but last year revised to nothing, nothing spent, apparently. This year just a token \$100 - compensation to persons injured.

MR. CURTIS: As a matter of fact the vote was originally \$10,000 but no claims came in. As long as there is \$100 voted, it keeps the vote open and the Government can vote any additional monies that should be necessary.

There have been very few claims made so far under this heading. When it gets organized, I am afraid there will be more but at the moment that is supposition. As I told the House the other day, the Workmen's Compensation Board is at the moment administering it, but they have had no cases yet.

I am hoping that real meritorious cases will be dealt with.

MR. MURPHY: With reference to 718-01, there is an increase of \$28,000, is this updated now to the last agreement of the Police?

MR. CURTIS: No. This was printed before we did this.

MR. MURPHY: With regard to 720-01, the Fire Commissioner - \$27,000, has the Commissioner got one or two assistants?

MR. CURTIS: The Commissioner and one Deputy, one full-time deputy, of course a lot of the outports have their own deputies. They are not paid by us.

MR. MURPHY: On (04) are these firemen brought in to Central Fire Hall for training or is it on the spot, in their own particular areas?

MR. CURTIS: Oh sometimes they come in and sometimes we send a man out.

MR. CROSBIE: With regard to (04-01), what is the arrangement for fire protection?

MR. CURTIS: We make a contribution toward Ottawa, Department of Public Works in Ottawa.

MR. CROSBIE: But there are firemen down there actually employed by the Government of Canada, is it? The firemen at Fort Pepperrell are employed by the Government of Canada?

MR. CURTIS: Yes we just make a contribution.

MR. CROSBIE: So their service can be used just in the Pepperrell area or anywhere in St. John's?

MR. CURTIS: There is an arrangement whereby we help them out and they help us out.

MR. MARSHALL: With regard to (02401), there is something I would like to ask the Minister about. Sometime ago there was an amendment to The Companies Act, where companies with shareholders, I believe, it is over fifty people, that were not required to register the names of the shareholders.

Now to my mind, I think this probably defeats, to a certain extent, the intent of The Companies Act, to give notice to people who are connected with companies. I realize that when you have a huge concern where you have about, anywhere from five hundred to a thousand and upward shareholders, it might be a nuisance but I wonder has the Minister given any consideration to requiring that individuals holding, say, more than ten per cent or, depending upon, of course, the size of the company itself; that that company would have to report at the Registry the names of those shareholders, the majority share-

MR. MARSHALL: holders, in other words, not the minor shareholders who hold one or two shares, as such, but people who have shareholdings of substance. I think this is really a matter of some necessity. I do not see why the arbitrary figure of fifty. I think it is fifty, when I say fifty I believe it is fifty or twenty-five should be taken and in the one case there has to be a revelation of everybody who holds shares in that company and in the other case, the case of the bigger company, shareholders need not be recorded.

MR. CURTIIS: The only thing that brought about that legislation is the fact that since Confederation we have had a lot of large foreign companies incorporating here. You might have one company, say Simpson Sears, for instance, the head office control all the shares and that is that. You get no information at all. But when it was brought in, they were thinking more of firms like The Anglo Newfoundland Development Company, Bowaters, BRINCO, all these various Companies that deal here. It has been really just burdensome and really to no effect to have a list of these shareholders because an awful lot of shares in these companies, in any event, are held in the name of a brokerage company or something like that.

I do not think you would get the information you think you should have, but I will be glad to keep the matter in mind. It has occurred to me several times, perhaps we should look into it. We have a lawyer down there now and I think he may look at things differently. I hope that Mr. Tessier down there will be able to guide us and let us find out what they are doing in the other provinces.

MR. MURPHY: In recent years there have been certain companies formed to do certain work for a certain Government and, in going through the Registry down here, you find that perhaps there is one gentleman and then there is the girl working in his office and then perhaps his wife is this company, you know, just how do people get away with this type of thing, when it is known that that is not the principals of this company? As I say, I am speaking as a layman. It may be legitimate under the law but if I want to find out who the shareholders are, or the people incorporated, I will just give them the bum steer by looking up this Registry.

MR. CURTIS: No well that is not a bum steer, Mr. Chairman, there is absolutely nothing improper about that at all. It really means that the man in question owns the business. He owns all the shares. But out of The Companies Act there has to be three shareholders and therefore he has to have two dummies with him and the dummy, God Forbid! may be his wife and his secretary. It is just really a manoeuver -

MR. MURPHY: How do you latch onto these people?

MR. CURTIS: I beg your pardon!

MR. MURPHY: I mean this is known. There are people -

MR. CURTIS: It is know yes but the other people are just there because, under The Companies Act. and under all the practices of the companies, there must be at least two shareholders and if one man has ninety-eight shares and his wife has one share and his secretary has one share, well, to all intents and purposes, it is a company owned by the man in question and ten chances to one the other two shares have been signed over to him. He really owns all one hundred shares, but that is purely a legal pattern.

MR. MURPHY: A legal job. It is legal but not honest.

MR. CURTIS: I have given you nothing free.

MR. MURPHY: With regard to 722-01 Joint Service Garage, is this the garage now that does all the Government vehicles?

MR. CURTIS: No, all the Fire Department vehicles.

MR. MURPHY: Fire Department only?

MR. CURTIS: And Police.

MR. MURPHY: Mr. Chairman, there is just one question I would like to ask and it is not the Canada Pension Plan, it is not salary adjustments but possibly I can ask it on the total, and that is with reference, and we have heard it raised every year, it is a hardy annual in this House, and that is with reference to pensions of retired firemen and policemen, who retired fifteen and twenty years ago on very, very meager, paupery, if you like, starvation pensions. I know I get several requests, I guess many other members do, on the same thing - what are the chances of getting some of these updated? I was suprised there last year, when one gentleman mentioned this

MR. MURPHY: and he was told by whoever he phoned, he did not tell me at the time but, "look what are you worrying about now, you are getting the Old Age Pension," Apparently he had reached the age of seventy.

Has the Government any moral or legal responsibility to these men? I have heard some quoted, as a matter of fact I believe shortly there will be some kind of a brief presented to the House, because a number of expolicemen, as far as I understand, have formed an association, and possibly all the information might be in that.

But I have been requested by one or two, at least, wardens from the penitentiary, and wives of firemen and policemen, and I am wondering morally and legally, is there anything we can do to update some of these, to keep up with the cost of living, because they are starvation pensions in a great many instances?

MR. CURTIS: Legally, as my hon friend knows, the police have no claim, but morally they may have a claim. Of course, you must admit the coming of the Old Age Pension has really helped a lot of them. On the other hand, the government is taking a very sympathetic view. We have referred the matter to the Treasury Board and the Treasury Board is giving every consideration to the matter and I do hope, in the interest of those who need it, that they will soon come with up a very satisfactory report.

On motion, Dept. of Health, as amended, carried.

Department of Highways:

MR. STARKES: Mr. Chairman, I do not propose to go into very great detail in connection with the Estimates at this time. I will make a very brief run down, beginning with the first item, Mr. Chairman, the first item, as the Committee will note that provision has been made for an extra \$10 thousand. I want to assure the Committee I am not looking for an increase in salary, under Minister's salary, if you will note, that is provision for an Executive Assistant, and at the present time I do not have one.

My actual travelling expenses for last year amounted to \$1,841.25, which involved a trip to Victoria, British Columbia, to attend the Ministers' Meeting, Ministers responsible for motor vehicle registration. I had to stop

MR. STARKES: at Montreal for the Canadian Good Roads Association Meeting and the World Highway Conference. Also a trip to Ottawa to confer with Ministers and officials of the Federal Government and the balance by making various inspection trips around the Island.

Under General Administration you will find the salaries are approximately the same as last year. Under Motor Vehicle Registration, we decided last year to introduce a multi-year plate and affect a savings. This year validation stickers were issued. This is done, Mr. Chairman, in no less than six provinces of Canada and twenty-five States of the United States of America. That is the type we are using.

There has been some criticism regarding these stickers but I can assure the Committee that the material from which they are made is the same as is used in other provinces and in the States, in many instances. It is so designed that it is practically impossible to remove them in one piece. The only way to get a sticker off is to take it off in about a million pieces.

We have had very few complaints, suprisingly few, about fourteen or fifteen complaints that people had lost their stickers before they put them on and only three or four stickers being removed. This is only very slightly more than the incidents of lost licence plates in previous years..

We have had a somewhat trying time with this Division, due to the unfortunate illness of the Registrar, but matters are being cleared up and everything is going along very good at this time.

Under Maintenance of Road and Bridges, it should be noted that there is a small decrease in the Vote. This saving is effected or will be affected because there will be slightly less maintenance this year due to upgrading and paving, etc. When a road is being rebuilt or paved there is very little maintenance required during the following year and the contractors are responsibility for maintenance of the road during the construction period, and we will be able to effect some saving in this area.

Winter Maintenance - the same thing applies. We anticipate a vast

MR. STARKES: improvement will be effected during the present year. We are going to be able to make a considerable saving in snow clearing by using four wheel grader, four wheel truck plows on paved sections. They are much faster and can do a very good job

MR. STARKES: and by using front-end loaders rather than a dozer on some of the reconstruction of highways. This way we will be able to affect a considerable saving over past years. I have a confession to make, I owe the hon. member for St. John's West, I do not know if it is five cents, five dollars or \$5,000, I think it was five dollars. Last year he bet me five dollars that I would not live within the budget and due to the exceptional heavy snowfall last year, particularly north, we could not quite live within the amount allocated, but we came close to it, relatively close to it. But in the meantime I owe him five dollars. I will have to make a private arrangement with the Bank to get a loan so that I can pay him back.

It will be interesting, Mr. Chairman,

MR. GOSBIE: Inaudible.

MR. STARKES: I will pay it back over a five year plan. We had an extremely bad season this past winter, insofar as snowfall is concerned. In St. John's it was not too bad, but we had enough, 122 inches. In St. Anthony 167 inches. In Deer Lake 146 inches, and in Labrador South 284 inches. about twenty-five feet of snow. Now it is quite a difference in the 122 inches that fell in St. John's compared to the 284 inches in Labrador South. In St. John's we get twelve inches of snow today and you would get a half inch of rain tomorrow and that is gone, but in Labrador South you get pretty well continuous cold weather, so what comes down stays there. So we had pretty well twenty-five feet of snow in Labrador South. Since the road was first ploughed in winter, we had no great difficulty in keeping the road open during most of the winter, until this season. If we had been able to have twice the equipment in Labrador South this year, I have been told by people who know, it would have been still impossible to keep the road open. We had included say. a very old machine in Labrador South.

MR. SMALLWOOD: Did you have a snowblower?

MR. STARKES: Yes, we had a snowblower, yes. In fact we send down a second one, then we had two down there. We had an 1946 D-7 Cat, which people said was a very old machine, obsolete and could not be used and so on. Now this 1946 Catapiller dozer, I can assure, saw far more service than the 1969 grader we had down there.

MR. SMALLWOOD: Inaudible.

MR. STARKES: Practically nothing left but the fly wheel, if you notice our allocation each year for maintenance of equipment, you will realize that our equipment is kept in good shape and this is why we could use the equipment year after year. I would say probably the fly wheel of the motor is original equipment. But that dozer is in good shape and gave far better service than the 1969 grader plough we had down there. That grader plough was order especially for Labrador South, for heavy snow conditions, a four wheel drive machine, but that too gave out. It had more down times than the 1946 dozer.

I was interesting to note, Mr. Chairman, that we spent around \$125,000 in the District of Labrador South, on snowclearing during the past year, and if you apply that to the cost per mile across Newfoundland, if we had to spend the same amount, it would be something in the order of over \$12 million or \$15 million. So we did not have to neglect Labrador South, it was absolutely due to the conditions that existed, We had continuously drifting where you have ten or fifteen foot cuts of snow, and you plough the road that day and you go back the next morning and it is filled in, there is another ten feet, and if we could have had plowed it every morning, we would have had to plough about 600 feet of snow off that road to keep it clear.

Mr. Chairman, in relation to the item for improvement and reconstruction, I came in for some servere criticism last year, because I had announced a programme, a roads programme, a two year programme. A programme which some people said, particularly one person who is not in the House now, who has since resigned, made considerable sarcastic remarks about it,

MR. STARKES: He said that we were going to pave rivers, and I believe the hon. Leader of the Opposition said a similar thing. However, I am very happy to be able to say that over half of that programme has been carried out, as well as several additional projects that were announced at the time. This year I announced a programme of new construction for 1971, a programme of reconstruction and paving for 1971-72, bridge construction for 1971 and paving for 1971.

Again, I met with what I would like to call good natured living. I suppose being against highway construction or improvement is probably like being against motherhood, so I would like to call it mild criticism or good natured living, because of the magnitude of the programme. The programme is a big one, but the overall figures show that it is a programme we can carry out. If you will take a look at the estimates, you will notice that in total they amount to about \$2 million more than last year. Last year we spent \$10 million on the Trans-Canada Highway, which we are not going to have to do this year. My estimates show that we have about \$32 million to be spent on roads, outside of the DREE areas and not including the Trans-Canada Highway.

Finally, Mr. Chairman, we have a small increase in the grant to the Safety Council this year. I am sorry it is not greater, but I am sure it will be a help. They are doing a good job and I wish them every success.

Now, Mr. Chairman, I have not given a list of projects underway at this time, nor the projects proposed, as the latter list is readily available. If hon. members have any questions, I shall be most happy to try and give the answers.

MR. MURPHY: Mr. Chairman, just a few general remarks on the minister's department itself. Possibly the first one comes to mind and I do not think it can be discussed in the estimates because it is an Appropriation-in-Aid, is this famous arterial road that the Premier and the hon. member for St. John's South straightened up the day before yesterday.

MR. MURPHY: There are just a few questions that enter my mind on it. This was planned I presume by the Provincial Government. We are using Federal Funds, The plans were set out by the Provincial Government. I presume that to the knowledge of all the Cabinet, the member for the district, that this road runs through, the plan was to come off the Trans-Canada Highway down to Mount Pearl area and across the Southside Hill, Then, I think there was a figure of something like \$12 million stated for a four lane highway, which I think Ottawa objected to and said it was too high and I think we cut it back to about \$7 million or \$9 million, I am just speaking as I have heard and I would just like the minister to explain some of this to me.

One question I do want to ask; has any expropriation being made on the east side of the Kilbride Road, in other words, on the Southside Hill the western part of the Southside Hill? Have negotiations been entered into for any property on the Southside Hill, coming down the Waterford Valley? These plans I say were approved by Government. We had this famous political farce in the House here the other day, where the petition was presented by my hon. friend from St. John's South, a very well engineered extravaganza again, and we have had loud claps from this side of the House and I heard they were presented with photographs and they sat over here so as they could see the Premier, all this was set up very nicely. But then the Premier undertook, with the hon. member, they were going to right this great wrong that someone had done the residents of the Southside. Now there was no guilt admitted by anybody. So I will ask the minister, perhaps when he gets a chance, when he speaks in reply to any other questions, who drew these plans? Was it this Government here, was it the Federal Government, the Government of Norway, or Germany or some other one perpetrated this great deed on the people of the Southside? There must be someone, Apparently the Government were quite upset and incensed with what could have happened

MP. MURPHY: to these wonderful people. We knew them all by name, they were all named off and this type of thing. I would just like to know who planned this, was it our own Highways Department or was it the Federal Government or just who it was?

There is one other matter that strikes me, Sir and I speak of it generally and that is where construction is taking place and I refer to the Durin Peninsula Highway and also Bonavista Highway where there is a lot of work going on. If it is not possible for the minister to emphasize, with these construction companies, that they leave at least one way passable, with a grader operating continuously, instead of taking off on a six or seven or eight mile stretch, throwing rocks and stones and boulders over their shoulders, hither and yond, you just got to drive through them as best you can. I experienced that four weeks ago, going to Bonavista, with these great stones, where one of the boys had two holes driven in his gas tank. Now who is responsible? Can this guy sue the construction company or sue the Highways Department for this? Because it was purely negligence, where they just go ahead and plough through with a bulldozer and throw everything across the road. I have spoken on this, many occasions, that this should be compulsory, that there be a grader attached to these trucks and keep at least half the road passable for traffic to drive through.

There is another question, and I do not know if we ever had the information - Norris Arm By Pass; I would like to know what that cost the people of Newfoundland? The road was completed about two or three years and then they decide, and I think, it was fourteen or fifteen miles to build a completely new road, within two or three years, to bypass Norris Arm. I know it must have cost many hundreds of thousands, if not some millions of dollars for that bypass. These are three things that occur to me, and there are other items that possibly will. But the arterial road, I think, if the hon. minister could tell us all about it and who perpetrated

MR. MURPHY: this great deal on the people of the Southside, that the Premier and the hon. member for St. John's South are doing their best to rectify now.

MR. STARKES: Mr. Chairman, I am not going to try and explain all the implications of DREF. But, generally speaking, the situation is, as I see it, from the beginning we are asked to provide a list of road work needing attention. We presented a list of maybe around \$200 million or \$300 million worth of road work that needed attention. Eventually we were asked for information on certain specific roads, in certain areas. This information we passed along. We provided the answers. We were finally asked to put up a case as to why there was an necessity for building this specific road, and so on? We did that. Then we received word to go ahead with the road or not to go ahead. Having received the go-ahead, the plans of course had to be approved by the liaison committee, tenders called. The result, studied by the liaison committee and approved by them, then we were told to go ahead with the contract over which we will have supervision. Insofar as the particular road in question was concerned, we engaged a firm of consultants to design the road. They did the first section; this is the section from the Trans-Canada, in so many miles,

They are presently working on the second section. We asked them to come up with what they figure the ideal route, They studied certain plans, and they came up with that route. It was a decision, well, we will not take responsibility, but it is not my decision or committee decision, it was based on pure logic insofar as the consultants saw it. They have -

MR. MURPHY: Without the approval of Government on it? In other words; anybody can come out and say put the road here.

MR. STARKES: Let me explain.

MR. MURPHY: Well, okay.

MR. STARKES: The very fact that this time we can still change - it is not too late to change. This is the route that the consultant figured was the best route and I think it is the route that probably engineers in my department would say is the economical route. It is not a cut and dried

MR. STARKES: affair. There will be no work done on that portion of the road this year it will be late next year before it can be done.

MR. MURPHY: That is from the city limits in?

MR. STARKES: This will be from some point west of Road Deluxe, the contract will end beyond Road Deluxe on this end, the east end of the road. There will be no actual work undertaken, in any event, in 1971.

MR. MURPHY: What about expropriation, have any deals been made?

MR. STARKES: We have purchase some land. I do not think there was any expropriation whatever. We have purchase some land west of Road Deluxe

MR. MURPHY: What about the Southside Hill area, Kilbride East area?

MR. STARKES: I do not think so. I know we have not expropriated any.

MR. MURPHY: No deals made?

MR. STARKES: No, none.

I agree with the hon. the Leader of the Opposition, in that contractors leave something to be desired when they are constructing roads. We are torn between making them enforce the regulations, you would say, with their employees, by insisting that they would grade this, they will bulldoze this, but all this hinders actual progress of the roads and we try to strike a happy medium, and they are actually responsible for maintenance the road whilst under contract, but there again, we have to draw a line somewhere. We try to maintain a balance. I agree with you that quite often the road is in a terrible mess.

MR. MURPHY: The Burin Peninsula Road is scandalous.

MR. STARKES: On the North Arm Bypass, if the hon. the Leader of the Opposition will recall, I think it was he who placed a question on the Order Paper last year, and it was answered to the exact cost of that road.

MR. CROSBIE: This St. John's arterial road, the proposed arterial road that is going to come into St. John's, this sounds like it is going to be a very expensive proposition. I think the contract that is let now is

MR. CROSBIE: \$7.3 million, roughly, to McNamara Construction. But I would venture to guess that from where that contract ends until you get into the city, you know the part that was indispute, coming down the Southside Hills, for example, that part is going to be more expensive than the \$7.3 million. As I understand it, the Provincial Government has to acquire the land. There is no contribution from Ottawa on the cost of acquiring the land. The minister can correct me, if I am wrong. I think that is right. So if this road does not go across the Southside Hills, where it was going to go, or on the side of the hill, and where we all agreed it would be better for it not to go, if it does not go there and has to go somewhere else. Very likely it is going to be a very expensive proposition to acquire the land. The cost of the land is our cost. I understand further that the Government have purchased property on Waterford Bridge. for example, Mr. Murphy's property, land and a large home there that was owned or is or was own by Mr. Murphy, who used to own the telephone company, Mr. P.J. Murphy, that was being purchase by the Government. I do not know how the route affects his house on Waterford Bridge. I do not know, It is on the southside of Waterford Bridge Road. I have since heard that the Government is not now going to tear down that house, it is going to be rented to some high-ranking civil servant. I do not know if there is any truth in that or not. If the minister might just let us know why that property was purchased, and is it going to be rented now, instead of being removed?

And, also, if they do not go along the Southside Mill, which appears they will not, the Premier has suggested going down Waterford River, and I do not know whether that is possible or not. But, if it does not either go down Waterford River or along the Southside Road, well then the only other place for it to go would be down Waterford Bridge Road, on the other side of the Waterford Bridge Road, which will be very expensive because of the property involved. So has the minister got any figures on all these possibilities at all? When the consultants looked at this

MR. CROSBY: route originally, they apparently recommended that it come down behind the Southside Road there. They must have had recommended that as the cheapest course. They must have said that you can come down Waterford River or that you can come down Waterford Bridge Road. But for various reasons it is more desirable to come down the Southside Road, presumably it is cheaper. Could the minister give us some idea what kind of figures are being discussed here. Is it \$4 million or \$5 million if you go Southside Road, perhaps \$8 million or \$10 million, if you go down the Waterford River? What are the possibilities involved here? Then again, of course, the Federal Government I think, put up the money for the rest of them. I think they are paying all the money, are they not, except for the cost of the land? They have also got to be consulted in that. Could the minister just comment on those couple of points.

MR. SMALLWOOD: Perhaps, Mr. Chairman, the hon. gentleman would be satisfied, for the moment, if I were to comment on it and then he might still ask the Minister of Highways to do so. I came down over that route the other day, by helicopter, and we got down by the Long Bridge and turned around and went straight up again to a mile west of Bowring Park. I had with me, in addition to the Minister of Economic Development, who represents that district in this House, the engineer who is I think, in charge of the whole project. He is a Scot who has been here, I think, six or eight months and he is employed by the company who is doing the job. I do not even know the name of the company.

MR. STARKES: FFNCO.

MR. SMALLWOOD: FFNCO, that is Foundation Company of Canada - they are an engineering branch. He is a very brilliant, I would guess, a very brilliant engineer. It was the first time, I think, he was in a helicopter and he was tremendously pleased by this trip coming down because it was the first time he saw the thing himself, which made me wonder why he had not previously used a helicopter for the purpose, because it is the obvious

MR. SMALLWOOD: way to take a look; in fact I cannot imagine any other way of doing it. Now I know, before there were helicopters, before there were aircraft, you had to do without them, but now that there are helicopters, why you could not use one to lay out the route and to find the best route to follow is more than I can understand.

Now let me say this; If you come along the Trans-Canada Highway and you come to the point where this new road takes off from the Trans-Canada Highway and you follow that road along as far as they have the right-of-way cut over, that is a fair distance, it must be three, four or five miles, they have now the right-of-way cut. It is very wide. It must be close to a quarter of a mile wide, is it not? It is a tremendous width, where they have cut the right-of-way. Then that brings you down where you are coming down in behind Mount Pearl-Glendale and closer over to the Old Petty Harbour Road and the Southern Shore Road. You come on down through until you hit Mount Pearl Road, you are a little bit to the right of the Mount Pearl Road, going into the Mount Pearl Wireless Station. I used to have a shack in there years ago. Where my shack was, the new road goes straight across the new shack, I hasten to add; it is a good many years since I own the shack, thirty years. so I do not share in the enhanced value of the land, As a matter of fact, I was greatly interested to discover three or four years ago that my friend, Mr. Michael Power owns it and was the owner of it and occupying my summer shack, and it was his summer shack. Now it is gone because that road goes straight across over on top of that summer shack now. So it finds itself down approximately to Bowring Park and no trouble, no difficulty, because for the most part it is going through crown land or privately owned land that is empty and has nothing built on it.

AN HON. MEMBER: It goes through farm land.

MR. SMALLWOOD: Well it goes through a farm area, which is a sad aspect, it is sad, in any part of the world, when farmland disappears and is used up by

MR. SMALLWOOD factories, roads and airports and what have you. It is all the more sad in Newfoundland, because we have so little farmland. However, from the standpoint of disturbance the road is straight sailing from the Trans-Canada down a distance of six, eight or nine miles, whatever it is, until you get to about Waterford Bridge, just before you come to Waterford Bridge. Now there is where the trouble starts, because you have got two roads running parallel, separated by a river,

the Waterford Bridge Road, as the hon. member just mentioned and

Mr. Smallwood.

as you are coming down now, coming eastward on your left is the Waterford Bridge Road. From there you look and see the road going right on down to the Crossroads. Then you see Water Street West. To your right you see the Southside Road, going right on down. You can see them both right in front of you. You are up in the air now in a helicopter and you are looking down with these roads ahead of you and the river running down between. You see the enormous amount of houses that there are on the Waterford Bridge Road, and expensive houses and very high class houses. On the Southside Road you see some beautiful houses as well but not quite so high-classed, not quite so expensive and some are a bit on the poor side. There they are, the two rows of houses, the two rows. The river is in between them.

If you followed Waterford Bridge Road it would cost you the Bank of England. If you go down the Southside Road, it would be almost as expensive and even more unsatisfactory. If you follow either of the two roads - you have to build a new road. Whatever you do you have to build a new road anyhow. Where will you build it? What they planned to do was to go to the right. Now we are coming east, we are coming east in a helicopter and we come out through Kilbride, Bowring Park and here is Waterford Bridge, on the left Waterford Bridge Road and on the right Southside Road. Go to the right of the Southside Road, up on the side of the hill and go right down the side of the Southside Hill? There are two troubles about that. One is that if you build a road, you know, 50 feet, 100 feet, 200 feet up the side of the hill, right down the side of that hill, above the houses that are there, inevitably, just as surely as night follows the day, the houses down below are in danger. They will be put in danger. I lived in those for years and I know what I am talking about. If I had a dollar for every time I climbed up the Southside Hill to get a load of fire wood or every time I wanted to pick some berries, as a young fellow, if I had a dollar for every time, I could pay off

Mr. Smallwood.

the public debt. No I could not. I could pay the interest on the public debt. So I know that territory intimately. I know it inside out - inside out. I did not know though that my hon. friend and colleague, the Minister of Economic Development, was living in there, just a bit in beyond where I lived and a little farther up the side of the hill. I did not know that until he became my colleague. Two famous men came out of that, as the petition said. The petition remarked the two distinguished Newfoundlanders that came out of that area, my hon. friend and me. If we never had anything else in common, we have that.

MR. CROSBIE: Do not turn your back on Gambo. Do not turn your back on Gambo.

MR. SMALLWOOD: I am not turning my back on Gambo nor is Gambo turning its back on me, which is even more important. That is even more important. Now if you build that road along the side of the Southside Hill, there is nothing that is going to stop the houses down below from getting damaged. There would be landslides. There would be waterslides. Unless now you build a tremendous wall to stop it (A wall almost like the great wall of China) on the lower side of the road, to keep the land, the rocks and the boulders from sliding down. How much would that cost? When we flew down and we got down by Bowrings, Southside, down below the Long Bridge, I said; "turn around. Turn around and let us go up and follow the bed of the river." He said, "all right." Then I tapped the engineer. I was sitting up in the co-pilot's seat, because when I am not pilot I am always co-pilot, at least I am co-pilot when I am not pilot. I am not like the hon. I want to be nice today. I do not want to get him riled up. Anyway the point is that when I am not pilot, I am a co-pilot. I tapped the engineer on the shoulder and I said; "now watch, just watch!" They turned the helicopter around and we went on up, right up, followed up the bed of Waterford River. When he had got up to about - well we came to the crossroads there by what used to be Brownings Bridge, Brownings Bakery. Many a time I swam in that. They had a little dam there. There used to be a dam there. The river is polluted there now, yes. They used the water

Mr. Smallwood.

from that dam to drive the water wheel. They used to drive Brownings Bakery with a water wheel. I have seen it a million times. We came up over that and then we came to Simms Bridge, then we came to St. John's Bridge, then we came to Waterford Bridget. I knew every inch of it. I had walked it back and forth to work when I was a reporter on the "Evening Telegram". I lived in on the Southside and how many times did I walk to the "Evening Telegram" office and back, every day, each way. I knew every inch of it. It was like old times, except I used not to do it by helicopter in the old times. Now that I am a big shot I can do it by helicopter. When we got up beyond Waterford Bridge and up over Bowring Park, I said to the engineer; "what do you think of it?" He said; "build your road right on top of the water, right in the river bed, let the water run underneath. You can put the big pipes, rows of pipes, big ones, forty-eight inches or something, four or five of these, even in the spring it can carry the run-off, and build you road right over the bed. You do not have to buy an inch of it. You do not have to spend one dollar to buy one inch of land." Now the trouble would be that when you get down by the Long Bridge, before you come to the Long Bridge, you have then to get across on to Water Street. Now how would you get across? You would get across by going behind Newfoundland Light and Power Company Building and the old Royal Bank Building up there. Do you know those buildings up there? It is just west of Hickman's.

MR. MURPHY: How would you get through the railway yard?

MR. SMALLWOOD: Of there is no difficulty there. There is no great difficulty there. Mind you it is not easy but it is not impossible. You would come down by what we used to call the trustle - not the trestle. You would come down by the trustle and you would come over the land that has been reclaimed. You would come diagonally to the south of the railway station building, south of that, between the south east corner of the railway building and the north west corner of the Round House. Can you picture that? You go right through, either behind the Newfoundland Light and Power Building and the Royal Bank Building and emerge on

Mr. Smallwood.

to Water Street, somewhere near the foot of Springdale Street.

Now whether you come down the Southside and get on to Water Street that way or come down the bed of the river and get on to Water Street that way, it is not easy. It can be done. It is easier to do if you come down the bank of the river, not the bank, the body. It would be easier to build it right on top of the river. Amazingly, the river is pretty straight. From Waterford Bridge to the trestle or the trustle (I fell over that one time and the man always claims, until he dies, that he saved my life. I know he should have been shot . I know that. I know I did fall overboard into the water as a boy. He climbed down around the bank and he fished me out. I do not think I was in a bit of danger) it is almost a straight line. It is amazing. It would be one of the straightest stretches of road that we have. There is the river. We own it. We do not have to buy it. So let us build the road right down on top of that river. Close in or cover in the river. You cannot block it off because the water would back up and you would swamp the church there by Waterford. It is Monsignor Rawlins' church. . What do you call it? It is called "Corpus Christi", and also St. Bride's College, You would swamp all of that. You have to let the water through, So, you can let it through underneath the road. Why not?

Now I have asked the engineers to make a study of it. They are going to do that. They will inform my hon. friend, the Minister of Highways, and if that is the way to do it, that is the way that it will be done.

MR. EARLE: Mr. Chairman, I have a couple of questions on another matter that I would like to ask the hon. minister. In connection with work being done on the Burin Highway and other areas, the control over the contractors in doing these jobs; the minister said, is very difficult to get them to co-operate sometimes in keeping the old roads up. There is another problem which arises. I wonder if he can answer this one? A lot of little access roads on the sides of these main highways disappear. In certain areas you find the contractors very co-operative in connecting these up, because they are used by the local people for woods work and getting to farms and various things. Other contractors, doing

Mr. Earle.

different jobs, are not at all co-operative. You find a stretch of road very well connected up with these side roads. You find other stretches that are not connected up at all. I have experienced a lot of complaints from a lot of people along different sections of the road, where a road which they had access to before or country which they had access to before is not almost barred off. This new road construction is generally quite elevated, high ditches and this sort of thing. They cannot get off the road very easily. I am wondering if the minister could let us know really what the department's policy is in that sort of thing, if they do have to provide access to these farm roads and so on from the main highroad. Another thing which I should like him to advise us about is the programme for this year. There has been a programme, of many small jobs and menial jobs and so on, announced for all over the Province. I questioned, looking at the votes under the different departments, as to just how these could be handled? We are now approaching the first of June. There are little jobs all over the Province which have to be started up. To begin with, the Highroads own equipment which is scattered all over the place in small pockets. When they put them on to these jobs, the various jobs, invariably the local roads have to be neglected because there is too much to be done. This year, of all years, I suppose where there is an election coming up, there are so many of these jobs promised that they will all be attempted at the same time.

It is practically the first of June. How on earth they can organize this equipment to do all these jobs at the same time, I do not know, particularly in view of the fact that much of the equipment is very old and very worn out. We heard the other day about a twenty-six year old tractor. I know jobs which have been done in my area and have been done very often with drills which should be museum pieces. They have used out their usefulness over a time, they are always breaking down, they are costing a lot more than they should. You have gangs of men on there and they are waiting for equipment to be repaired and all this sort of stuff. Apart from slowing up the work, the cost of it is simply tremendous. Now if this programme is to be accelerated this year without a lot of new equipment, I do not see how all these various jobs are going

Mr. Earle.

to be tackled. I notice in the vote for new equipment that there is about \$900,000 provided. There seems to me, with the present condition and state of a lot of this equipment scattered around the country, that \$900,000 is not going to go very far in providing the necessary machinery to do these jobs, particularly in the light of the fact that I also notice that the summer maintenance and the winter maintenance on equipment has been cut down. It is not very much but it has been cut down. It has been cut down by \$100,000 or so in each case. Apparently the department is anticipating less expenditure on maintenance of equipment. They are providing or going to provide about \$900,000 for new equipment. They have taken on numerous small jobs, menial jobs all over the place. I am wondering if the minister could give the House some idea of how he is going to programme this, of how he is going to make it work? The year is getting quite late. We are getting into June now. While there is some evidence of things getting started, it really has not gotten underway.

Now there is another point in that connection, that this House voted \$100 million approximately on Interim Supply, which was approximately three to four months supply for the Government. So the Opposition did not hold up any funds. The funds were being provided to start the job early and to get underway with it. There has not been any - certainly the Government have not run out of money, up to this point, because we voted \$100 million. I am wondering, if all of it worked as planned, why did they not get underway with it a lot earlier than they had?

On the St. John's arterial road, I am not an engineer so I am not really qualified to criticize but I think that the Premier's statement about his helicopter cruise up and down the valley, although we own the river and there is free access to it, may turn out to be just as free now as the Expo pavillions. Speaking to some engineers; however that job is tackled whether it is by an elevated road or a covering in of the river bed or tremendous retaining walls to keep up the Southside Hill, so whatever may be done this job is invariably going to cost many, many millions more than have been calculated at the present time. I think the minister let the cat out of the bag this

Mr. Earle.

afternoon when he said no work could be done probably for a year and a half on that or a year at least. So, although the promise is there and the people in the galleries were very delighted the other day to get their announcements about what would happen to the road, this, in my opinion, is only camouflage, because when the road actually has to be done and the cost of engineering figures are revealed, there may well be some hesitation on the part of DREE or Ottawa, whoever is going to provide the funds to meet this exorbitant cost. I do not think that anybody at this stage, the Government or otherwise, are able to tell the people of that area just what is going to be done or that the road should be done in a different way. The facts have not yet been revealed. I do not think the studies have been made and I am sure that the engineering work is not done. So this may well be a tremendous question mark before it evolves. This certainly is not the time to raise people's spirits or hopes that certain things will not be done and that the road instead of coming down the hill will come down the valley or go other ways. I think, quite candidly, that nobody at this stage quite knows what they are talking about. Until it is studied and developed and drawn and so on and all the figures revealed, I think we are only talking a lot of hot air.

MR. G. MYRDEN: Mr. Chairman, before the minister stands up, I have just a few words to say. It is something very strange in the House today. I would like for the minister to pass my thanks along to the staff that are now looking after the St. Barbe South District. We have been most proud over there, actually, in the last few years because the staff that we have in the St. Barbe South District is one of the finest construction staffs that we have ever had. Right now I believe that they are upgrading the road in Woody Point and getting it ready for pavement. I know they are doing a good job. I would also like to say that, over the years I, myself, personally, have had great satisfaction in dealing with some of the men and especially Mr. E. J. Butler, who has recently retired. This man I know has been a dedicated Civil Servant for years and I am sure that the whole House would agree with me that he has done a tremendous job

Mr. Myrden

in Western Newfoundland. I know the former Minister of Highways in Western Newfoundland. Being a former salesman of caterpillar equipment I find it very interesting when you are talking about the age of equipment. For the House's information, the first caterpillar tractor ever built is still operating, which was in 1905. A 1946 tractor, kept in good condition, is much better than the new equipment being put out today on assembly lines. It was one of the finest tractors. I think I know it was the one. I was probably instrumental in helping to sell it. But caterpillar equipment has a world famous name. It is not the equipment, it is the actual maintenance of the equipment. I know for a fact that probably that 1946 tractor kept most of that road opened this year. New equipment has every chance of failing.

Would the minister also advise us about the safety councils latest recommendations? I know over our way we are still finding out that the "slow-traffic use right lane" business is still being used by the fast traffic going inside. I know ourselves, we for years wanted to try and change that sign to "keep right except to pass." We have never been able to find out exactly why it has not been changed. Also, driving down the Humber Valley the other day, two or three of us noticed that the whole valley now, where the new construction has gone through, they have sort of defaced all the shoulders and where grass was formerly grown all down through the Humber Valley, there are a great deal of open pits where contractors have been going through South Brook, etc. We wondered then whether it could not be put into the contract to replace these pits, replace these sides there where there people have been going through with their construction equipment? It looks very, very bare now because the whole Humber Valley actually is very, very sandy soil and very seldom does grass ever grow back on it again.

Now especially in South Brook - there in South Brook proper there

Mr Myrden.

are acres of it, where they were using it, where the contractors were using it and just left the open pits. Right in the town itself there has been no, actual smoothing out of humps or cutting down shoulders or anything like this. This actually could be a job for many hundreds of students, if the Government saw fit to do it. They do in New Brunswick and Nova Scotia. They have started programmes of seeding and sodding right through the whole of Nova Scotia and New Brunswick. There is very little equipment used and a great deal of manpower usage.

Also, Mr. Chairman, I would like for the minister to bring us up-to-date on the arterial route for Corner Brook? What is the latest on this? Quite a few people are interested in finding out what is going on. I know that they are expecting some word momentarily but I would like the latest on this as soon as possible.

MR. HICKMAN: I wonder whether the hon. minister would indicate to the committee what progress is being made with respect to the paving of the sections of the Burin Peninsula Highway that have been upgraded and are now ready for paving? The contract has been awarded for the thirteen miles, I think, from Piper's Hole Bridge, the river there toward Terrenceville. That is all. There are several other sections of highway that are now ready for paving and have been for some time. There is a section between Terrenceville and Bay L'Argent. A section of it was built two years ago. The section between Grand Beach and Winterland, that is completed and another section just beyond the Terrenceville Intersection is completed. It is my understanding that the first DREE Agreement provided for the upgrading and rebuilding of the Burin Peninsula Highway. It only provided for the paving of the two sections that were paved the year before last. There was a section out of Grand Bank, towards Winterland, and a section out of Marystown, towards Red Harbour. The section now to which the contract has been awarded and also the section from Winterland to Grand Beach I think are in the first DREE Agreement.

Mr. Hickman

The concern being expressed by residents of the Soth Coast is that we have a very limited, as the minister is aware, paving season. I believe that June 15 to October 15, weather permitting, is the time. Now I fully realize that there was some work done on the Trans- Canada after October 15. You cannot count on it though. If we are to have any paving on the Burin Peninsula this year, other than the contract that has been let, I suggest that the hon. minister is going to be hard pushed to do it. First he has to call tenders and, following the submission of bids, it is my understanding that bids must go to Ottawa, because it is a cost-sharing programme. I also understand that if the lowest bid is in excess of the estimated cost, that either Ottawa has to approve the bid as such or do, as they did on the St. Lawrence, Loon's Cove Highway, order the recalling of bids. Now all of this to be done in six to eight weeks without even trying and any contract for paving that is not let by the middle of August, you will not see and you cannot see; there will not be any paving activities this year. We do have, I submit to the minister, at least thirty miles of highway ready for paving now. It is well settled. The work is complete. Would the minister indicate to the committee whether the status of the second DREE Agreement - my understanding that the cost of paving these sections

MR. HICKMAN:

of the highway and the rest of the Burin Peninsula highway is to come in the second DREE agreement, including the road from Lewins Cove to St. Lawrence. The other problem that I would like to draw to the Minister's attention, I am am sure it is drawn to his attention almost weekly, is the condition that the contractors are leaving the roads in that are presently under construction. Now everyone knows that with road construction there is bound to be some inconvenience and some upheaval but in certain areas we have almost total abandonment and motorists just find it too expensive to drive back and forth over that road right now. A bit stricter supervision on the part of the department toward contractors would in my opinion eliminate some of this, because, obviously, the contractors are going to get away with the least effort possible when it comes to keeping existing roads open whilst others are under construction.

Next week we have a great group of men going down there and women and I am sure the hon. Minister will take the necessary steps to see that these reverent gentleman travel in some comfort. I would like to hear the status of the DREE Agreement and if there is any possibility of speeding up the paving of that highway which seems to have bogged down.

MR. STARKES: Mr. Chairman, I try to take the questions that have been asked in reverse order. Regarding the last question, concerning the contractors working on the road, as the hon. member was not here for the early part of the estimates, when the Leader of the Opposition went into this in some detail and he was talking on the poor condition the contractors were leaving the roads in and so on, we had quite a discussion on that part of it. Regarding the DREE Agreement, the hon. member is correct. We are carrying out road construction in conformity with the first agreement, the first DREE Agreement.

MR. STARKES:

Regarding the second DREE Agreement, this is a matter which comes under the jurisdiction of the Department of Community and Social Development and when this agreement is signed, no doubt, if we have pavement included, then we will get the works because I would only love to get my hands on money to reconstruct all the roads possible, to pave as many as possible and so on, but this is a matter that comes under the Department of Community and Social Development.

MR. HICKMAN: Well is this the reason for the delay now, awaiting the signing of this?

MR. STARKES: Well obviously, if we do not have an agreement which, as the hon. member said, is quite correct, the agreement was for grading outside the special areas and we cannot proceed with anything else until we get some more information from Community and Social Development and then go ahead. Regarding the arterial route into Corner Brook, the question by the hon. member for St. Barbe South, we have held discussions with officials of Bowaters and we have pretty nearly come to an agreement. There is one area that we cannot resolve or we could not the last meeting. Bowaters can only go so far out into the bay and then you are into deep water, and they must have a certain area in which to operate, and this is presenting a difficulty in proceeding with the arterial route for Corner Brook.

He also asked about this "Slower Traffic Keep Right" sign on the Trans Canada Highway. The highway was designed for that type of sign or you could put it the other way that the highway was designed a certain way and that is the right type of sign to use on the type of highway we have. The third lanes are not designed for high speeds and, according to the manual set down by the CTRA as the standard across Canada, we are using the correct sign for the type of road as it exists at the present time. We have climbing lanes and not passing

MR. STARKES:

lanes and the "Slower Traffic Keep Right" signs and the Safety Council of Newfoundland is in full agreement with us that this is the sign we should use until such time as the Trans-Canada is further upgraded.

Now the hon. member for Fortune Bay said I let the cat out of the bag. I did not let any cat out of any bag. I do not have any cat in any bag to let out, in regard to the arterial road. It is public knowledge that that road, the part from the city out, will not be constructed this year. That has been said at least a hundred times, over television, in the newspapers, by everybody concerned. It is understood by all that that road will not be constructed this year. The first contract was let, and that will be done in so far as possible, and there is no cat to be let out of any bag in connection with the arterial road. The engineers will make a study to see if it is feasible to go down the river and this will mean that we will actually save money on land acquisition and so on.

Another thought is that perhaps we can make a one-way road on the Southside, one way in on the Southside and one way out on the Waterford Bridge Road side. I do not think this will be possible, but they are taking a look at that as well. I do not think it is possible. Finally re: the Murphy home; this home is vacant. The hon. member for St. John's West referred to it, I think, as the Murphy home. This home has been for sale for some time and it was vacant. We felt that if somebody bought it and moved into it we would really be up against it, insofar as the plans to acquire that property, and so the logical thing to do would be to buy that property while it is still vacant, the reason for it being that Road DeLuxe will be a main feeder road into the arterial road and, as you come down Road DeLuxe, you will notice that this property is directly opposite and you have to go through this property to get to this proposed arterial road.

MR. STARKES:

I went down and looked at the house, went through it and it is such a wonderful house. Then I came back and I said; is there some way that we can squeeze around, instead of tearing down that house, and get the feeder road into the arterial without having to destroy that beautiful home? The engineers went back and took a look and they said they probably could, but I want to assure the House that if that house is sold it will be sold by tender and the highest bidder will get the home.

I think that covers the questions just presented.

MR. CROSBIE: Is this being rented now?

MR. STARKES: Beg your pardon?

MR. CROSBIE: Is the department renting it now.

MR. STARKES: No, it is not being rented.

MR. CROSBIE: Before the item carries, there are two other questions and it is probably better to wait for the various headings, but the Minister the other day made a speech in which he more or less chastised the RCMP for not enforcing the signs on the highway that say; "Slower Traffic Keep Right." What the sign should really say is "Move over you stupid 'B'," that might be more understandable. But the Minister said that the RCMP are not enforcing these, not seeing that the signs are observed or enforced. Has the Minister been in touch with the RCMP to impress this on them or have they been in touch with the Minister to point out to him that the Minister is not right or what is the present position on that? Do the RCMP have instructions to enforce these driving rules or not or what do they say? I notice in the newspaper that the head of the RCMP here was going to deal with the Minister privately. I do not know if he has dealt with him privately yet or not. Could you give us some information on that?

MR. STARKES: I did not get a ticket yet.

MR. SMALLWOOD: The Minister is now afraid to drive on our new highway but he has the assurance that there is no RCMP officer within twenty miles either side of him.

MR. STARKES: What it is in effect, at that meeting, was that we had certain signs erected on the Trans Canada Highway, in conformity with the CGRA manual for standards across Canada, and the sign was the correct sign for the type of lanes that we have and, as far as I knew, the police had not been catching up with people who violated the regulations and that was it. I went further to say that it was the duty of the police to enforce the law rather than to question the law. I have no idea whatever if we have ever questioned the law or not and I do not think that it is my place to have to call the RCMP and say; "Will you enforce so and so law?" They are supposed to enforce them all. They are supposed to take care of the laws of the Province in the area in which they have jurisdiction.

I think that my predecessor may have checked with the Department of Justice concerning this probably, two years ago, but as far as I know there has been no one ticketed or given a ticket, up to this time, for violating that law and I do not know if there has been too many given tickets for throwing junk on the highway, and you will see signs up here and there. You will see plenty of instances where a person, probably going sixty-five miles an hour, gets a ticket for speeding, like the hon. member for Grand Falls. If he goes sixty-five miles an hour he will get a ticket, but it would be quite interesting, I have never gone into it and checked on it, but I would say that if we get two convictions for dumping garbage on the Trans Canada Highway, it is as many as we have had and the same applies to the -

MR. MURPHY: Why should the hon. Minister mention the hon. gentleman's name in the Chamber, what is the significance?

MR. STARKES: Well, I just mentioned the fact that if he drove sixty-five

MR. STARKES:

and he has been pulled in two or three times for speeding, this regulation is more or less strictly enforce, but the one pertaining to throwing refuse, garbage, junk on the Trans-Canada does not seem to me to be strictly enforce and neither is the one regarding the slower traffic keep right.

MR. ROWE(F.W.): Mr. Chairman, I am very glad that this matter has come up at this time because I have been burning over all day about it, but it has nothing to do with the fact that I got a ticket for speeding recently, for \$25.00, which I paid.

MR. MURPHY: I would not pay any tickets. I tell all my constituents to defy the law and not pay any traffic tickets or anything else, as the Government will look after them.

MR. ROWE(F.W.): Mr. Chairman, I am going to get serious now for a moment on this. This morning my wife and I left our place in the country, Upper Gullies, at twenty minutes past eight or about fifteen minutes past eight. Normally that would put us out here about ten minutes to nine, to Kent's Pond. When we reached the overpass, just before we reached it, a truck, I do not mind naming the truck, a monstrous truck and written on the outside was "Central Dairies" took off on the road, and this was from the overpass coming towards St. John's, and the time I am speaking of by now was about twenty minutes to nine o'clock. That truck proceeded at the rate of thirty miles an hour for the next two miles, all of which were sixty mile an hour zones, from the overpass, just past the overpass until you get out here to the beginning of the commercial section, and, as everybody knows, the speed limit is sixty then you pass into a forty mile section and then later on you come into a thirty. That truck proceeded there and the result was that by that time, at the end of the two miles in the sixty mile zone, there were two miles of traffic behind that truck, backed up there, two miles of it

MR. ROWE(F.W.):

backed up and when he got into the forty mile zone he, for some reason, cut down his speed still more, I do not know why.

I made the obvious comment, "this is how people are killed" because I knew there were people out there anxious to get to work. There were people probably coming into the University for classes and coming in here and everything was bogged up. Now we passed a police car, a mountie, and I know the mountie did nothing about it. Of course he did not do anything about it. I have never yet, to this moment, I have seen that duplicated, repeated over thousands of times on our highways and to this minute I have never seen a thing done about it. The law says, and I am the man responsible for getting it in there, in this House, the law says that if you drive less than forty miles an hour in that zone, you are breaking the law, and nothing has ever been done about it. I have never seen it happen yet, as the hon. Minister said.

Well all right, okay, I am driving out to Topsail. Well, I do not complain about this, and I passed from a forty to a thirty, on the Topsail highway, and did not know it because there was other traffic there and I did not know I passed into the thirty mile zone and, within ten seconds or so, I was stopped by the policeman who said, "You just went through a radar," and I said, "What was my speed?" "Your speed was forty-one miles an hour," and I said, "Okay, give me the ticket," and he gave me the ticket and that was that. I have no objection to that, as he is enforcing the law but over and over again I have seen this, people were penalized there this morning, unnecessarily, because this truck, for whatever the reason, I do not know the reason, but this hugh truck decides that he is going to saunter out there at quarter to nine on a Tuesday morning, when thousands of cars are coming into the city, returning to work, and he is going to saunder along there at thirty.

MR. ROWE(F.W.):

Now maybe he had some mechanical defect, I do not know, It could happen, in which case he should have pulled off the road there and if he did not pull off he should have been forced to pull off- and there was a police car in that area, in fact there were two police cars in that area. I am as sure as I am standing here now, I would state, I would state any amount of money that nothing was done about it. Certainly nothing was done about it, as far as the several hundred cars who were blocked, and the end result was that I got, instead of getting into my home at ten minutes to nine I got into my home at quarter past nine this morning. There were several scores of cars maybe a couple of hundred altogether, who were backed up right back to the overpass because of that one person. The second, of course, was almost equally to blame because he had chances to pass and would not do it and should have done it. But you get some timid driver or some novice, driver-novice behind a big truck of that kind and he will not pass and then the other fellow is a little scary about passing and the end result is that the ordinary sensible driver in back then, who could pass one vehicle and would not worry about it, is afraid to come out, and when they do come out they take a chance of a collision and you get an accident with perhaps a half a dozen vehicles involved.

The question in my mind is this, and I have asked it over and over and over again; why is nothing done about it? Why are people allowed flagrantly to get away with that? I do not know the answer to it, but they do it. There is not a member in this House who has not suffered from it over and over again, driven almost to desperation. You are coming in and you want to catch an airplane at Torbay or you have an appointment somewhere or you have a meeting somewhere and you make a reasonable allowance for it and instead of that you get behind

MR. ROWE(F.W.):

some guy or two or three cars and you lose ten, fifteen or twenty minutes and over the space of thirty or forty miles you can lose a half an hour that way and throw all your plans awry. This should not happen and should not be allowed to happen. It does not happen elsewhere. There are other areas where it does not happen and, why is it allowed to happen here in Newfoundland? I do not know the reason for it and I cannot find out. I was asking the police about it and they do not have an answer either. They just shrug their shoulders. They have never yet, when I have asked them; "Why do they not do something about it?" they have never yet given me even an answer.

Now what is the answer to it?

MR. CROSBIE: I do not think, Mr. Chairman, we can blame it on the Government.

MR. ROWE(F.W.): Maybe! Maybe! Maybe it is our fault.

MR. CROSBIE: We were going to have a highway patrol here one time but I think that that has been discontinued. But perhaps the Minister could start another highway patrol that concentrates on the slow drivers.

MR. SMALLWOOD: One of the times, when I was a weakling, I let someone talk me out of a thing like this.

MR. CROSBIE: This is one of the rare times the Premier has let himself be talked out of something. Perhaps it could be started up again with special attention being paid to slow drivers and the rest of the pests on the road. Well we all agree with what the Minister has said that there are an awful lot of creeping drivers in Newfoundland, but they might not be slow.

Just one other point before we leave the Minister's salary here, before we decide whether to reduce it down to ninety-eight cents or not: On the access road and Waterford Bridge Road, the Minister has had

MR. CROSBIE:

reports from consultants and could he give the House any idea, I ask him earlier but with all the questions he did not answer it, as to the cost of the various alternatives coming down that arterial road? That is one point and the other point was, I asked the Minister earlier in the session, what the status was of the Labrador road, that is the road proposed to be built from Goose Bay to Churchill Falls and on to the provincial boundaries, the road that we spent \$6. million on several years ago. We spent \$6,585,000. on the tote road from Happy Valley to Churchill Falls and as the Minister knows there was no work done in 1969 or 1970. Can he report anything on that now? I think the last time I ask him he said he could not say anything at that particular time.

MR. SMALLWOOD: If the Minister would let me: The road from Lake Melville to Churchill Falls will be built and, in my opinion, will be built not by the Government of Newfoundland but rather by BRINCO or an associate or subsidiary, probably associate, of BRINCO. In my opinion the road between Lake Melville and Churchill Falls, the town of Churchill Falls, is absolutely imperative. It cannot be done without and it will not be done without. It will be built, in my opinion, and in my opinion it will be built at the cost of BRINCO itself or of a subsidiary or more likely an associated company, because I confidently expect to see at Churchill Falls, the town of Churchill Falls, the community of Churchill Falls, a very, very great development indeed.

Now just let us look at that for a moment. Why do I expect a very great development at Churchill Falls rather than say at Lake Melville? Well I will tell the House: If something big (and I mean really big) is established at Churchill Falls, at or beside or contiguous to or very close to the power house and the town, the community of Churchill Falls, it will be something based primarily

MR. SMALLWOOD:

upon the presence, immediately at hand, of a vast amount of very low cost power, power that will not escalate in price, as all power generated from fuel is bound to do. If power is generated from the burning of oil of any kind or the use of natural gas or the burning of coal or any other fuel, nuclear fuel for instance, uranium, any power generated from anything, any kind of fuel, is bound to escalate in cost.

As labour goes up, as materials go up, as the fuel itself goes up the cost of the power produced from any kind of fuel must go up, but the power produced by falling water is the same at the end of one hundred years as at the beginning. The cost of it is the cost of the money, the money that it takes to build. That money has to be borrowed, you service that debt, you pay interest on it, you pay a sinking fund and you pay off the principal and that costs money and that is the cost of the power. So there is no escalation in it.

Now if a big industry is established at Churchill Falls, it will be an industry established there for one reason, only one. There is no other imaginable reason, at least that I can imagine, and that reason is low-cost power, the low-cost power that will not escalate in price. It will be the same in twenty, thirty, forty, fifty, seventy years. If that happens, as I believe it will, at Churchill Falls, right at Churchill Falls, at the Community of Churchill Falls, it will mean that the power will be not merely low in cost, very low in cost, but utterly and absolutely dependable. because, number one, you will have the power that is actually generated at Churchill Falls, you have to take it a quarter of a mile or half a mile to where you are going to use it; number two, the power from

MR. SMALLWOOD (J.R.): the Lower Churchill will be 150 miles away and it will flow over the transmission line into Churchill. Number three - the power that is generated in the Province of Quebec, all three will be available for back up of the power that would be generated at the Lower Churchill, would be the source of supply. But if anything happened to that, if it is down for an hour or a day, the power that is generated at Churchill Falls Proper, the main source, the seven million horse power, becomes available, if both went down, power can flow in from the Province of Quebec and later on, it will flow into the network from other hydro-developments that will take place in Labrador, because there will be other hydro developments in Labrador. There are other titanic water sheds that will produce vast amounts of electricity, and all that electricity will flow into one grid. The centre of it all would be Churchill Falls and that is where you are going to see a vast development, as surely as we are here in the Chamber this afternoon.

Now this makes a road absolutely, superlatively and absolutely imperative. There has got to be a road between Lake Melville and Churchill Falls and between Churchill Falls and westward, the whole thing connected up into one great highway. Now beyond westward of Churchill Falls, the Government of Newfoundland will be one, but only one, of the sources of money to build it. Eastward of Churchill Falls, I believe the full cost will be borne by people other than the Government of Newfoundland. That is why, and this has been under discussion, I have had discussions on this for more than two years, and vast projects are not done hurriedly; they are not. I am still negotiating on matters of the utmost greatness, of the utmost, even bigger than Churchill Falls itself and I have been negotiating for some time. Because of these negotiations, which are continuing, we are not going to spend the scarce money, relatively scarce money of the Newfoundland people, to build that road; we are going to have that road built by people who can afford to build it, because they make money out of it. We will not make money out of a road that we build. When we build a road it costs more money to keep it up, but when somebody else builds it, they can make money out of it. I do not mean make money out of the mere building of it; they make money out of the continued

MR. SMALLWOOD (J.R.): existence of it after it is built. It will be a part of their economic set-up, their economic project and that is who will build that road, so please do not go asking us to spend more money on it. The road is there, it has now to be finished and the people for whom it has to be finished are the people who will make money out of it, and let them pay for the cost of building it. I have no doubt that they will.

MR. CROSBIE: With regard to (02), Motor Vehicle Registration, the Minister explained that this year the Government decided to try these little yellow stickers, rather than the motor vehicle licence plates, because of the cost, the saving in cost. Could the Minister tell the House what the total cost this year is of licencing motor vehicles, as compared with say the cost last year when the new plates were issued? What is the saving in cost? Yes he has got \$30 thousand instead of \$50 thousand, but these may not be accurate. What is the actual saving? And two - what effect does this have on the company, the local company here that was manufacturing licence plates? I think they were manufacturing not just for Newfoundland but for other provinces as well. Are they still in business or what effect has it had on their business?

MR. STARKES: Mr. Chairman, in connection with the question about the local company, we call tenders and the local company unfortunately could not meet the Mainland competition -

MR. CROSBIE: That is on the actual plate you mean?

MR. STARKES: As far as the plates were concerned. They are still providing replacements, extra plates for us for this year, at the last tendered price, the last tender that was awarded.

We will save approximately \$70 thousand this year because of the stickers rather than the new plates, assuming that we use the regular paint, but with the reflectorized paint it would be still more.

MR. CROSBIE: With regard to (09) just before we leave the Motor Vehicle Registration, I have heard that the office space down stairs in Motor Vehicle Registration Division is very cramped, that is that there has been a big influx in the number of employees and so on in the last few years, because of the increase in the number of motor vehicles and the rest of it and that space

MR. CROSBIE: down there is quite cramped and the employees are quite crowded down there. Does the Minister have any plans for getting more office space for this Division or other space for them, or has he had any complaints to this effect?

MR. SMALLWOOD: If my hon. friend will allow me? There are certain things that only a Premier can say, that a Minister cannot say unless he is particularly asked by the Premier to say it, because the Premier speaks for the Government as a whole and Ministers do not, unless they are specifically requested to speak for the Government as a whole.

What I hope to see is this, that the Premier's office will be moved up to the floor above here and the Musuem put elsewhere and the floor below this be turned over to the members of the House, to have more commodious quarters for the membership of the House. They really have no privacy. They really have very little chance to do their work. Ministers of course have to have their Ministerial offices and the Ministerial staff but those who are not Ministers, on both sides of the House, are greatly lacking in space and I would like to see the floor below turned over to that purpose and the floor above used for the Premier's office. Because, frankly, if I am going to be here as Premier for the next ten or fifteen years, I do not want people tramping on the floor above; it disturbs me. I want to be up there alone and I want to be cock of the walk, I do not want anyone looking down on me. So I want to move my office to the floor above and I want to move the Leader of the Opposition down one. "Down."

MR. MURPHY: It is not the thought of providing more adequate accommodation for the Opposition?

MR. SMALLWOOD: No, it is to provide more prodigious space for the Premier. Now the Opposition could easily say a museum piece goes in a museum, and if they do not say it, you know they are short sighted. But that is what I am thinking of and I think that when the election is over and we are back here with a big majority -

MR. HICKMAN: You can just give up that too.

MR. SMALLWOOD: That is the funniest joke I have heard. That is the funniest laugh I have heard in a long time. Anyway, does that answer the hon. gentleman's question?

MR. CROSBIE: What effect does this have on Motor Registration?

MR. SMALLWOOD: I do not know.

MR. STARKES: With the opening of more temporary offices across the Island, we do not anticipate any extra work, any additional work for our Division in this area, so I think this will automatically take care of the situation.

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

MR. NOEL, CHAIRMAN: Mr. Speaker, the Committee of Supply have considered the matters to them referred and have passed estimates of expenditure under the following headings: Heading VII - Justice, with some amendments, Heading XVII, made progress and asks leave to sit again.

On motion report received and adopted.

MR. SPEAKER: It now being 6:00 o'clock I do leave the Chair until 8:00 o'clock.

The House met at 8:00 p.m.

Mr. Speaker in the Chair.

COMMITTEE OF SUPPLY:

MR. CHAIRMAN (Noel): Order! Heading 17, Highways - Page 73. Shall item 1710-01 carry?

MR. CROSBIE: This is roads and bridges Mr. Chairman. I have several questions for the minister. The Cape Shore Road to St. Bride's. I do not believe that that road was mentioned at the great disarmament conference. If it was mentioned at the disarmament conference, it was not mentioned since. Some people from that area were in touch with me, and wanted me to ask the minister what work is planned this year on the Cape Shore Road?

There are about twenty-five miles of road altogether. That is the road out to St. Bride's. Is that included in his programme? What work would it be?

HON. H.S. STARKES: Mr. Chairman, on the Cape Shore Road, we had originally proposed to spend the money on upgrading the whole area of the Cape Shore Road, about thirty or forty miles. We had a delegation from the area who suggested that we should spend it on two specific areas. This is what we are doing. I think allocation is \$100,000. to \$150,000. We are spending it on two particular areas of the Cape Shore Road rather than providing it for one area or doing a general upgrading.

MR. CROSBIE: This work would be just grading or reconstructing the road? I mean, what kind of work would that be? It is not paving?

MR. STARKES: Not paving, upgrading.

MR. CROSBIE: I see. One other thing; there is another road there I would like to hear from the minister on. It was announced last year that work was going to start - I think it did start from Burgeo to join up the Burgeo area with the existing road system. I think they are going to experiment with a low-cost road that would not be a road of any great standard, but one that you could get over. I believe that the Government

of Canada announced that they were going to help finance it. Work did start on that road, but can the minister tell us what progress has been made and what plans have been made for that road this year?

MR. STARKES: Mr. Chairman, work started last year on that road. It progressed pretty well throughout the winter, and the contractor is back working on that road at the present time.

MR. CROSBIE: What financial assistance are you getting from the Government of Canada on that?

MR. STARKES: We have not received any direct financial assistance as of this date.

MR. CROSBIE: It is planned to get some?

MR. MYRDEN: Mr. Chairman, I believe earlier today I asked the minister about some of the sections of the Humber Valley which were left in a sort of deplorable condition, especially in some of the sand pits there around South Brook. Would he be able to have an answer right now?

MR. STARKES: Mr. Chairman, at the time that the hon. member asked the question, I had listened to an overdose of questions. I am sorry I skipped along that one. It relates to the size of the highway, beautifying the highway and the area beyond the immediate built-up road.

We would like to see that beautified. We would like to see all unsightly bolders carted away and buried. We would like to see the whole area seeded and grassed. This will come eventually, but first we must have the road. We are concentrating on building roads. After the roads are built, naturally we will try to beautify the area. We have already begun on the Trans Canada, in certain areas. We seeded an area near Clarendville last year, and also out in Corner Brook we are doing work this year. Hopefully, this will be done - it will take some time, but we certainly recognize the need and we will give it every consideration.

MR. CROSBIE: Mr. Chairman, before we leave that item I have a question on the bridges. This winter, or it might have been last fall, there was a highway bridge destroyed by ice. I guess it was this spring. The bridge crosses Harry's River. The minister answered a question about that.

He said, 'the bridge was constructed in 1966 by Western Construction Company Limited, costing \$139,458.00, and that the plans and specifications were prepared by the Department of Highways.' No, The consulting engineers were Western Construction and their Fredericton Office. The contract was supervised on behalf of the Government by the chief bridge engineer. When I asked if the Government had investigated the reason for the collapse of this bridge, and if so by whom, the minister said that the chief bridge engineer and the Department of Highways investigated the reasons for the collapse of this bridge.

He attributed failure of the bridge to scour (s-c-o-u-r) at the footing of the centre pier, resulting from an ice jam, when an extremely heavy ice cover on the river broke up during a mid-February thaw, when torrential rains deposited 2.13 inches in twenty-two hours. A temporary bridge was opened to traffic on March 4, and a new permanent bridge is to be constructed this year, costing \$200,000.

My question is, I heard some suggestion that this bridge had not been properly constructed in the first place. The centre piers were not - I am not an engineer, but they were not put down properly. Instead of going on into the concrete set down in the river bed or whatever you do to keep these piers properly fastened, this had not been done.

MR. SMALLWOOD (J.R.): There is something put down there that stays down there and holds them down.

MR. CROSBIE: There is something down there that holds it down, if it is done right. Little gremlins? In any event, there was some suggestion that the bridge had not been properly constructed in the first place. Would the minister have had that checked out? When he said that the chief engineer investigated the reason it fell, this sort of thing would have been looked into, I assume. Can the minister give us any more information on that? The bridge was only five years old when it was carried away in this ice jam. Ice jams are not unusual in that river, and if it is going to cost \$200,000 - it is not insured, I am sure.

MR. STARKES: It is quite obvious that the bridge had not been designed sufficiently well to withstand the action that took it away, otherwise, it would still be there. It is in an extremely difficult area, and the loss of the bridge was caused by the fact that the bottom was scoured out, and the centre pier was dislodged. The new bridge will be a span and this will not happen again.

MR. CROSBIE: There will not be a centre support.

AN HON. MEMBER: No.

MR. CROSBIE: So if there was any fault, it was probably in the design of the bridge in the first place. It was not designed...

MR. STARKES: Quite obviously, if it had been designed with sufficient strength, the centre pier would have withstood anything that would have come down that river. This was an unusual winter as far as ice was concerned.

On motion, item carried.

MR. CROSBIE: Why is summer maintenance going to cost less this year? The vote is down by \$100,000.

MR. STARKES: Summer maintenance will cost less this year because, more roads will be in the process of being upgraded. Normally, maintenance includes the replacement of gravel here and there along the roads. With the number of miles of road being upgraded, this will not be necessary, hence we figure we can save \$100,000.

MR. H.P.V.EARLE: On that point, Mr. Chairman, maintenance very often does a certain amount of road construction, which includes taking off knobs, straightening out curves and that sort of thing. Will there be none of that done this year?

MR. STARKES: This year we expect to do the normal amount of maintenance, less \$100,000. This saving will be affected, because, there is "X" number of miles of roads being upgraded, which will not require normal maintenance. We are also hiring extra equipment in order to permit our crews to carry out extra work.

MR. EARLE: Mr. Chairman, if I might ask the minister a direct question. On the western side of my district between Pool's Cove and the Belleoram Road, there is about a three mile stretch which he announced in his programme was to be upgraded. Now, there is a twenty-one mile stretch between Belleoram and Red Cove which normally follows the programme which I outlined. The maintenance crews do straighten out curves, take of knobs and generally have been improving that road for the past eight or ten years. Are they only going to do the one section this year, or will they carry on with the normal work?

MR. STARKES: Mr. Chairman, when they get right down to individual items, with so many items across Newfoundland, I am not able to answer the question as I would like to. Generally speaking, the roads that ordinarily receive a certain amount of maintenance each year, if they are not being upgraded, and this is in the programme, will receive a certain amount of upgrading, if it is necessary to do so.

On motion, 03-01 carried.

MR. CHAIRMAN: Shall 1711-01 carry?

MR. HICKMAN: On that vote Mr. Chairman, there are a couple of matters I would like to draw to the attention of the hon. minister. This afternoon we were discussing the DREE programme, as it relates to highway construction and reconstruction in the Province. The minister confirmed that paving of many of the sections of the Burin Peninsula Highway, and I presume that this applies to other DREE highways throughout the Province, is dependent upon the successful negotiation of the second DREE agreement, and equally dependent upon convincing the Government of Canada that road paving and money for paving a road should be included in agreement number (2). Some was included in the first agreement for the special areas.

When we were doing the estimates for Community and Social Development, the minister responsible for that department confirmed that negotiations are still going on with DREE number (2) agreement. I would

like to hear from the minister his thoughts as to what success or otherwise, will be encountered insofar as negotiating DREE agreement number (2). The reason why I say that is; if you read very carefully the statements that have been emanating from the hon. Mr. Marchand, during the past few months - his addresses to various organizations such as the Atlantic Development Councils, and others, that he seems to be laying a great deal of emphasis on providing job opportunities in the Atlantic Provinces, and in the areas that come under his department.

You will also see, from reading the press, a great deal of pressures building up from the Province of Quebec to get more of this pie that originally - I will not say that was intended only for the Atlantic Provinces, but certainly we were left with the impression that we were going to get a fair hunk of it.

The hon. the minister of Community and Social Development indicated that we have a very good friend in Mr. Tom Kent, the Deputy Minister of that department. I think it is equally clear that we need a very good and more friendship with the minister of the Department of Regional Development.

When you read the Act setting up that department, and when you look at some of their programmes, you inevitably come to the conclusion that the main thrust in the DREE programme and the main thrust behind Mr. Marchand's philosophy is to use federal funds to create jobs in the Atlantic Provinces and in Quebec, on the theory that if you create the jobs, this will enable the province, whatever province is involved, to provide the infrastructure. This, Mr. Chairman, may be very sound reasoning when you are dealing with some of the older provinces. When you deal with the Province of Nova Scotia, where they have paved practically everything there is to pave, and Prince Edward Island, where they pave not only what should be paved but every driveway they can lay their hands on as well, this may be quite sound, but I think the message that was contained in the DREE (1) agreement and

which must be contained in the DREE (2) agreement, even moreso, is that that same philosophy does not necessarily apply to Newfoundland where we do not have the infrastructure, the public services that the older provinces have.

This afternoon, the statement by the hon. minister, or his confirmation that the paving of the sections of the Burin Peninsula Highway that have not been upgraded is dependent on the signing of a satisfactory DREE (2) agreement with provisions for paving in it, certainly is grounds for concern to those people who live along the South Coast, and I expect in other areas where DREE is spending money on the upgrading of the road. Obviously, if the minister is not authorized by Ottawa to call paving contracts very soon, certainly within the next four to five weeks, then we can forget paving during this season in these particular areas of the Province.

I would like to hear his comments on it, because, even his statement this afternoon has already caused some apprehension and concern. We had expected, on the Peninsula of Burin, that all sections of the highway that were upgraded, rebuilt and completed last fall, or even early this winter would this year be paved. Obviously, this is not to come to pass.

Secondly; if I could deal with two or three matters that concern my district only: Last year, or maybe it is longer than that, I tabled in this House a petition from residents of the Greater Lamaline Area, that is the area running from Lawn through to Fortune, asking for the upgrading and paving of that highway. Apart altogether from the fact that that road was built, I was going to say prior to the Squires Government, but I am not sure of that, I think it was built during the Monroe Government, it has not been touched since, as the hon. minister knows, other than to throw a few loads of gravel there once in a while.

AN HON. MEMBER: Come on!

MR. HICKMAN: No, it has not. Even this year, you sent in a grader to widen it, but the road is the same as it was when I was growing up down

there thirty years ago.

It makes sense economically, because in these communities that are served by this road, Government is faced with some very heavy expenditures, either by way of building a highway or alternatively providing municipal services to the people who move out. The choice is very simple. Do you spend a million dollars, or, what is it, the hon. Minister of Finance would know, \$125,000 a mile for upgrading and paving? It is something like that. Either you spend a million dollars, or two million dollars on that highway, so that the people can stay there and commute to the industrial towns, or you saddle directly the municipalities of St. Lawrence, Fortune and Grand Bank with five or six million dollars worth of public services, they will have to provide for these people moving in, which eventually would fall unto the shoulders of Government.

This road came up at the Lamaline Conference last year. It was a consensus of opinion of everyone there that if that area has a future and if it is to be maintained as a viable entity in this Province, then the upgrading and paving of that road is priority number (1). The Minister of Transport was at that conference. It is in his riding. He was asked about it and he pointed out very carefully that that area, from Lawn to Fortune, is not in a special DREE area. He also pointed out to the conference that the Government of Canada has assumed the burden of rebuilding and, hopefully, paving the road from St. Lawrence and Grand Bank through to Goobies. He suggested that that section of the road surely must be a provincial responsibility. Obviously it is and, obviously, it is going to continue that way.

At the same time, this cannot be postponed - this decision cannot be postponed, I submit to the minister, any longer, because, it has been waiting now twenty years. It is more than just the convenience of travelling over a dust-free road involved, it is whether or not that area is going to stay as a viable unit or whether people are going to move out. It is as simple as that. Government will be money in pocket, and the

people will be happier if it is upgraded and paved. I would like to hear from the hon. minister as to whether or not this will be done and if work will commence this year.

Another petition that was tabled in the House this year, and a question that was placed on the Order Papers, was in connection with the road to Epworth. I think the hon. minister gave a cost of upgrading and paving that road at either \$60,000...

MR. STARKES: \$87,000.00

MR. HICKMAN: \$87,000.00? That is not very much money. Again, it is a community where I am sure the appropriate minister will confirm that short-term assistance is unknown. All working, good fishermen...

MR. STARKES: What is the population?

MR. HICKMAN: The population is 700 or 800.

AN HON. MEMBER: 200

MR. HICKMAN: No, it is more than 200, more than 200, it is at least 500 in the town of Epworth. For \$80 thousand, I believe that that expenditure could be justified, because, you are going to spend that. The road is going to be maintained. Epworth is not going to resettle. The people, again, work in the plant in Burin, and \$80 thousand - the minister of finance say 200 population, well...

MR. CHALKER: I said that.

MR. HICKMAN: Well, the hon. Minister of Public Works says 200, I think 500 might be closer to the mark, but I just do not know. All I know is that it is a prosperous little community that intends to stay where it is and that for that bit of money you can bring them into the twentieth century and they will be eternally grateful to the minister for doing it.

I take some consolation from the fact that the minister has caused a survey to be made there and is now in a position to have this work done, if he deems it appropriate.

The third area in the district is one which has certain ramifications. Again, the hon. minister of Finance was working on this when he represented Burin District. This is the road that starts in

the District of Placentia West, at Fox Cove, runs through Mortier, then to Port Aux Bras and then to Bull's Cove. All of the children in these four communities attend school in the municipality of Burin. Most, if not all of the wage earners work in the fish plant in Burin. The present road, which has been there for a long, long time, runs through the four communities. Recently there was a suggestion that the road would come part way down through Fox Cove and Mortier, then go off at an angle and come out at Little Salmonier or Long Cove and go dangerously close to the Burin Town Council water supply.

They have filed a complaint with the Clean Air and Water Authority. They make a very good case that, even though it may not be so close, the dust from motor vehicles will go into the water supply. When you open up an area, it is only a matter of time when you find garbage, abandoned motor vehicles, picknickers moving into that area and everything else. This is most undesirable.

From a purely economical point of view, if you can serve four communities almost for the cost of serving two, then surely that is the only sensible thing to do. I am very conscious of the fact that the minister is doing some work in the Port Aux Bras-Bull's Cove area at this time. I do hope that his final decision will be to upgrade and pave that existing road. Again, it goes far deeper than just transportation. Over the years, great efforts have been made to bring these four communities together as a municipal unit. A great deal of progress has been made. I foresee the day when maybe all these communities will be part of the municipality of Burin.

Some of the developments that have occurred there during the past two or three months have been most unpleasant and totally unnecessary. They arrive out of this suggestion of the diversion. It is quite wrong. You cannot justify it or defend it in any instance. I know that the hon. minister and his predecessor are fully aware of what I am getting at. I think that they both agree that this road should follow

the existing route.

I would hope that the hon. minister would give; (1) the Committee an indication as to whether he has received a report from

MR. HICKMAN: The Clean, Air, Water and Soil Authority with respect to the Burin Town Council Water Supply and secondly, whether or not this road will be upgraded along its present route. Everybody will be happy, except one person, and you need more than one person to stop a project that obviously has the interest of four communities at heart.

Again, today I heard of some public representation from the Harbour Breton area. Apparently the road that is under construction out of Harbour Breton, to connect up with the Bay d'Espoir Road, started out as a thirty-two foot road. According to the reports that have been emanating from Harbour Breton it is now, the present section, the next ten miles which is under construction by Western is to be a twenty-four foot road, and ten miles by J.J. Hussey Limited. Well, this has got nothing to do with the contractors, presumably they bid accordingly to specifications.

But surely goodness, in 1971, it is a retrograde step to have a twenty-four foot highway. You are going to have an awful time trying to keep it clear of snow. You are going to have a terrible time with spring runoffs, with a road that width. Put apart altogether from that and if you accept the fact that two trucks are seventeen feet, occupying seventeen feet of road, you are not leaving yourself much room for two vehicles to pass on that kind of highway. This is the thing we are moving away from.

I would like to know from the hon. minister why there has been a change of plans that sudden narrow the Harbour Breton Road. It started as a thirty-two foot road and now it is going down to a twenty-four foot road. I realize there is Federal involvement in it. There are Federal monies pumped into that road, and this is as it should be, but the Federal Government are not noted for building substandard roads. Indeed, to their credit, they have been insisting on roads, such as the Burin Peninsula Road, the Gander Bay Road, that they be of satisfactory width. There must be some explanation as to why this is occurring and, as the hon. minister is fully aware, this is making the people of the Harbour Breton area justifiably unhappy and justifiably upset.

MR. HICKMAN: If the hon. minister would have some comments on these four or five points, I would appreciate it.

MR. STARKES: Yes, Mr. Chairman, the last one first, the Harbour Breton Road has been financed by DREF, one hundred percent. We, of course, have nothing to do with actual negotiations to which roads should be built or which roads should not be built. They asked us to design and build a road with an eighteen foot top. We objected to it. We said we will not do it, we will just not build the road.

MR. SMALLWOOD: Eighteen foot width?

MR. STARKES: Eighteen foot wide.

MR. HICKMAN: That is driving surface?

MR. STARKES: That is the width of the road.

MR. HICKMAN: Shoulder and all?

MR. STARKES: Shoulder and all. We refused. We said; "we will not build such a road". Subsequently it was agreed that we could build it at twenty-four feet, which is the minimum that we would consider, and this is the present width of that portion of road which is under contract for some of the Bay d'Espoir Highway consisting or going down to the Harbour Breton Road, about twenty miles.

I do not think that the people in the Harbour Breton area need have any extreme worries, in fact I do not think they are too worried, their main object is to get a road connection. This would provide them with a road connection and undoubtedly the road will be widened to thirty-two feet. It is quite natural, because it is thirty-two feet on this end of it and almost on the Harbour Breton end, "This will come in the natural course of events. The main thing right now is to get the road finished.

MR. HICKMAN: Do I understand from the minister that it is twenty miles of twenty-four foot wide?

MR. STARKES: Whatever the consisting gaps is, I do not know offhand. Regarding the Fox's Cove, Mortier, Port au Bras, Pool's Cove Road, the hon. member will be pleased to know, I suppose he already knows that

MR. STARKES: we worked on that road, upgrading that road, most of the winter. We are still continuing to upgrade that road and it is our intention to see that it is a good road.

MR. HICKMAN: Before the hon. minister leaves that point, do I understand that the new road will follow the existing route?

MR. STARKES: If you referring to this as a new road, I do not refer to it as a new road. They are upgrading the present road.

MR. HICKMAN: Right.

MR. STARKES: We are upgrading the present road.

MR. HICKMAN: Well may I put it another way?

MR. STARKES: If it is all important to the people in the area, this would be perfectly acceptable to the people in that immediate area?

MR. HICKMAN: Would the hon. minister indicate to the committee whether or not the diversion is going to be built? I will put it that way.

MR. STARKES: The diversion?

MR. HICKMAN: The one that goes by the Burin Water Supply?

MR. STARKES: There has been a demand for a new road, a new route, and that is included in the programme for this year, as far as I know, speaking from memory without having it in front of me, I think that was announced to be built this year. There has been no contract let as yet.

MR. HICKMAN: You are going to divide the four towns.

MR. STARKES: That is not a matter of dividing the four towns.

MR. HICKMAN: It is very much so.

MR. STARKES: If that road is built, it will be a matter of providing an alternate route out and this is something that happens in many, many instances, not to relate to that area alone. That road will be twenty-six feet wide, not twenty-four; I am sorry. It is twenty-six foot top and not twenty-four foot top; the Harbour Breton Road. The hon. member knows the one I am speaking about.

MR. STAPLES: On that road to Epworth, I certainly agree with the hon. member, the expenditure is certainly justified. The expenditure is justified to pave the road in Lawrenceton, in my district, in Norris Arm North, and in several communities, in every district in Newfoundland. Unfortunately we cannot do it all at once. This is why that particular road was not included in the present programme.

On the Burin Highway we do not negotiate with DPEE; Community and Social Development are the go between. If there is included into the second agreement or in any supplementary agreement with Ottawa any money to build roads or to pave roads or to reconstruct roads, then we will be the happiest people in the world to spend the money.

MR. HICKMAN: What about the Lamaline Road?

MR. STARKES: Mr. Chairman, on the Lamaline Road: I was speaking about priorities, it is hard to set priority. Consider the road to St. Anthony, from Deer Lake, 300 miles of road with not one inch of pavement on it, not an inch as yet. Trying to set priorities, telling the hon. gentleman, I know it is an necessity that road should be upgraded and it should be paved. But it is a matter of knowing just what to do with the amount of money available. It cannot all be done in one year. I have been only Minister of Highways for little over one year, by the time I get three or four more years at this, the hon. gentleman will be tickled to death, his road will be paved

MR. HICKMAN: You will have every backyard paved.

MR. STARKES: Even the road to Epworth will be paved.

MR. HICKMAN: I take it then the answer is "no, it is not in this year's programme."

MR. STARKES: I do not think it is in the programme.

MR. EARLE: I am glad the hon. minister mentioned the road from Deer Lake to St. Anthony, it always used to be a bone of contention between myself and the hon. the Minister of Public Works, 300 miles of road which is

MR. EARLE: a relatively wide road.

Now the roads which the hon. minister just has been talking about, from Harbour Breton to eventually to the head of Bay d'Espoir and connecting up with roads on the Connaigre Peninsula, you have to drive over these to really believe, This is where tight money is written in large capital letters, because you drive along on a very good highway, out of Harbour Breton, take a turnoff towards Pool's Cove and you have got to get out of a Buick into a Volkswagon, because she could not take the road, it is too narrow. Then the other section, from there on to where the highroads did six years of work, where you will remember it took six years to build six miles of road, That was of fairly decent standard and there is a little gap in between, which is practically only a rock surface, Then you swing onto another area where you could drive two ton trucks abreast. The whole thing is a queer mix up of wide sections and narrow sections.

Now I agree the hon. minister's objective was to get that road through at all costs, push it through so that the people would be connected up; and I agree to it at the time. But the understanding was that this was just a temporary business that the road would just barely service the people, but, as soon as possible after they got through that, the narrow sections would be widened. Now you have sections of three or four miles of very narrow road and then another few miles of quite wide road and then another section of very narrow road. and this goes on all of the way. It must be a nightmare, driving, I should think, very conducive to accidents. But I do hope that the minister gives priority to that section, because the road actually will get through, but it is far from satisfactory for anybody to drive over and this sort of condition. from one type of road onto another, from one section to another, to say the least, I think it is about the worst example of any road building we have seen in the Province.

MR. HICKMAN: On that Harbour Road, Mr. Chairman, the hon. minister indicated that he thought the people of Harbour Breton area were satisfied with this

MR. HICKMAN: twenty-four foot road decision. But I recall now the people who are making the representation, I think, to the minister, are the South Coast Regional Development Association and they are very strongly protesting the construction of a road that is only twenty-four feet wide, the Harbour Breton Road. So has the minister received any protest from this association, and would not these protest to him that they are not satisfied?

MR. STARKES: Mr. Chairman, I was very glad to know that they were on the ball. It is quite true that they made representations and they say the road is not wide enough. I agree with them that it is not the proper width, it should be thirty-two feet minimum, but this is what was dictated to us by Ottawa. They said, "we will go along with twenty-six foot roads, not twenty-four foot, twenty-six foot." So what do we do? Do we not do the road at all? Forget the road? Do not build the road? Just leave the people in isolation? Or will we first get them out, with a twenty-six foot road, and then go for a thirty-two afterwards? It is only a matter of adding a few feet on each side of the road, and then you have got a thirty-two foot road. What shall we do?

MR. MURPHY: They paid for the cost, so it is no expenditure by the Provincial Government on that particular road?

MR. STARKES: No. no expenses. This is a DREE road, because of the fact that DREE supplied one hundred percent of the money for that road, then we saved enough money so we could do a road down in some other place -

MR. HICKMAN: But not down in Lamaline?

MR. STARKES: Which is one hundred percent Provincial money. So, I think, for all concerned, we did the proper thing when we let the contract for that road at twenty-six foot wide. If we had insisted on thirty-two, it probably would have not been started yet. But now at least the people will get out of the place, out of the area, get back into it. They will have free access, it will be a reasonably well built road, and after that comes the extra six or eight feet on the width and it is up to a very good standard.

MR. CROSBIE: Before we leave this item, I want to ask the minister, is it still the practice of the Government now or the department to award any of these five year contracts for roads? In other words, you know, you award a contract and it would be paid for over a five year period. The minister knows there were quite a few of those, and the policy, I think, was changed about three years ago. Does the minister's department do that at all now or is it still the policy not to do that? In other words, you give a contractor a contract and you pay him over five years, he will go out to the bank and finance it and so on?

MR. STARRIS: We have been trying to get rid of that entry in the estimates for the last four to five years, and it has pretty well reached the end of the road right now. It is not our proposal to go into it any more.

MR. CROSBIE: So it would be the policy now not to do that?

Now, in the Auditor General's Report, the minister will remember that there was a comment about refinancing of contracts, balances owed under road building contracts, in April 1970, it was refinanced at a higher interest rate, ten and a-half percent rather than six and seven and one-eighth percent. The minister will remember the comment. The Auditor General said that, Then, apparently, later in the year, the whole amount that was owed this particular contractor was repaid. But the Auditor General said that it cost the Government \$44,000 more than it should have. The minister remembers those comments.

Could the minister just explain to the committee now whether that was so or not, or just what the transaction was?

MR. CROSBIE: Mr. Chairman, it was thought at the time that we should refinance some of the agreement, to lessen the burden, the per year burden. Having done that, we did it in a sort of an around phase and we decided we would wipe the thing off completely. This was what was done.

MR. MURPHY: Mr. Chairman, just one question on this, and that has been occurring pretty well every year, with regard to dirt roads, and we know we

MR. MURPHY: cannot pave them all. I am wondering if the Highways Department came up yet with some way they can oil some of these roads? The dust menance actually is worse than the actual driving condition of the road. I am just wondering if there is some way to keep the dust down in some way, with oil or something else. I know it would be a fairly expensive project, but it is a terrible nuisance not only to drivers but the people living along side of these roads. I am just wondering if there has been any attempt made to arrive at some method where dust could be kept down actually with oil or some treatment of something else?

MR. STARKES: Yes, Mr. Chairman, we would be glad to do it - if a cure would be worst than the disease or not. This was tried out in the town of Lewisporte. I am quite familiar with it, I was Mayor at the time. There was going to be a municipal convention and we had dusty roads, and the council came up with the idea that we get the roads oiled. So we got them oiled. About two hours after the last drop of oil went on, the first drop of rain began to fall. We had about four inches of mixture of mud, oil and what have you, to such a degree that all the business houses, and hotels were in such a mess that we were cursed on and we were almost driven out of town. This is what can happen with the highway. Every time a community or a town decided to oil a section of road, not every time, but one out of three times, you get all kind of kick back from the residents because their cars are spattered with oil. I do not know which is better, the disease or the cure. But, actually, even if this did not happen, it will be an expensive job, it is about \$300 a mile and it would last about say three weeks or a month. This would really run into money.

On motion item 1711-01 carried.

MR. MURPHY: On 02, Mr. Chairman, this is new construction. I just have a question on the North Harbour Road, I notice we are going to do five miles this year. What will be left then to complete, may I ask, Mr. Chairman? Sir, I think, there is something like eight or ten miles done already.

MR. STARKES: Mr. Chairman, it was our original intention to begin on the North Harbour end and do five miles towards Branch. As a result of representation from the citizens of Branch and the area, we have now decided to revert this and start at the Branch end. We have a certain amount of money allocated, I am not sure of the exact figure. But involved in this is the building of a bridge, a very substantial bridge across Branch River, and we may not get five miles completed this year, because of this first item of expenditure, the bridge across the Branch River. As a result of this, as I said before, we may not get the five miles, because this is an expensive three hundred feet or four hundred feet.

MR. MURPHY: What would be the total length of this road then?

MR. STARKES: I do not know offhand. You can see it on the map tomorrow.

On motion 02 carried.

On motion 03 through 16 carried.

MR. EAPLE: Mr. Chairman, 1712 - Breastworks and Ferries. Might I ask the Minister of Highways this has always been a pretty sore point in my district, with breastworks and ferries the responsibility of the Department of Highways, as far as these sea protection walls and roads and so on are concerned. That is confined, is it not, to the protection of highroads, does this apply to local roads?

MR. STARKES: What kind of breastwork are you referring to?

MR. EAPLE: Where there is, around the edge of the harbours and so on where the land wash is protected from eroding away by a road, is this the responsibility of the Department of Highroads?

MR. STARKES: As I understand it, Mr. Chairman, breastworks and erosions, this item here: We have allocated \$20,000 for it. This is where our highway is involved where the sea is washing away a portion of the highway and we have construction, either pile drive a whole lot of heavy timber or wharf it up in order to protect the road. This also applies where the beach washes away and we have to protect our highway in the area. If we

MR. STARKES: had to take care of all the erosion that takes place in Newfoundland -I think at this moment of the Hamilton River that has gone a bit wild and washing away the sides of the bank -the eroding will cost about \$10 million. I do not know what it will cost to correct it. It is almost impossible to tackle. We have a small sum in there to take care of where the road washes away and we can put something up to protect it.

On motion 02 carried.

MR. HICKMAN: On 03, Mr. Chairman, could the hon. minister indicate the ferries referred to there in that vote?

MR. STARKES: We have a ferry on Bonne Bay and Northwest River cable car.

MR. HICKMAN: Which department assumes responsibility for the Burgeo ferry? Grey River? It used to be highways.

MR. STARKES: The Department of Fisheries.

MR. HICKMAN: The Department of Fisheries; and the Straits of Belle Isle?

MR. STARKES: The Federal Government.

MR. MYRDEN: 03, Mr. Chairman, Bonne Bay ferries; has the minister considered that since these ferries now running between Woody Point and Norris Point, which they have been doing, and they will be running between two points in the National Park, is the minister or the former minister approached Ottawa concerning taking over the operation of these ferries within the new National Park? Because it seems that the service cannot get too much better with the present ferries on, although they are doing a good job and all that, but it seems that within the National Park these points will be covered on both sides of the Bay. I have wondered whether the Federal Government have been approached on that yet?

MR. STARKES: We have asked the Federal Government to take over all ferries, whether or not they will do this is not known at the moment. It is certainly hoped that in Bonne Bay the Federal Government will have some participation

MR. STARKES: in this, because, otherwise, I cannot see it continuing forever.

On motion 03 carried.

MR. MURPHY: 04 - Breastworks (Capital) - On this one here, I remember a petition being presented from Trinity South and Dildo for breastwork. I wonder if there is anything included in this for this year, where the road is washing out the main road through the town?

MR. STARKES: This is what they are doing with it at the moment. They are working on it at the moment.

On motion 04 carried.

On motion 1721-01 to 05 carried.

On motion Committee reported having passed Heading XVII - HIGHWAYS without amendments.

MR. CHAIRMAN: Heading XIII - Municipal Affairs and Housing.

Shall 1301-01 carry?

MR. SMALLWOOD: Mr. Chairman, I am not going to make a speech on this and I want to say only that I am going to attempt with help to pilot these estimates through. I am only Acting Minister of Municipal Affairs and Housing. I have a broad general knowledge of the Department of Municipal Affairs and Housing, but it is very broad and general. I am asking the two former Ministers of Municipal Affairs and Housing to sit with me here and also

three officials, two of them concerned chiefly with Municipal Affairs and the third concerned exclusively with Housing. Any questions that hon. members wish to ask I will try to answer them. Most of the answers will be merely repetition by me of information given to me by former ministers or by present officials of the department. With that general introduction I will leave it open to the floor.

MR. HICKMAN: Mr. Chairman, before it carries, there are just comments, if we are going to follow the same practice as the department of Highways. (1) on the question of Housing: I have no doubt that the minister is swamped by appeals from the municipalities for low-cost housing and housing development generally, in the various incorporated areas and other areas throughout the Province. Obviously this is as it should be. It is something comparatively new but with any industrial development, no matter how large or small, comes a demand for housing. A few weeks ago the hon. member for St. John's East placed a question on the Order Paper concerning the need for housing at Fermeuse. Just a couple of days ago I met a couple of men who were involved in the union negotiations in Fermeuse at this time. They have been looking forward to the operation of an all-year-round plant at Fermeuse, with a minimum of four draggers landing at that community.

They now find that because of lack of housing they can only support a labour force to handle three of the four draggers that were supposed to go into Fermeuse. I would appreciate the hon. minister indicating to the committee whether there will be any housing in the Fermeuse area this year. Practically every municipality where we have a fish plant today finds itself in somewhat similar position. The town of Grand Bank have been promised ten out of a request for twenty houses. The same applies to Fortune, I have no doubt Harbour Breton.

Apart altogether, Mr. Chairman, from the development of low-cost housing and housing generally and serviced lots, there is another great need in this Province in the field of housing, that is in the unincorporated

areas we have. A lot of our housing costs are Federal-Provincial, they are designed and tailor-made to take care of municipalities where the necessary water and sewerage facilities are now available. This takes care of a goodly number of Newfoundlanders. But we also have, scattered throughout many smaller communities, many of them unincorporated, a need for housing as well. I am not talking about housing that envisages the laying out of a housing project with streets and curb and gutter, water and sewer installations and all that sort of thing. I am thinking of the many, many areas in Newfoundland where you have a small community, where a fellow wants to stay where he is, where he wants to build a house, in my opinion he is just as entitled to housing, to accommodation. In your district, Mr. Chairman, you have the people living in communities that are not incorporated, that do not want nor could they sustain a large housing development.

But these people, simply because they are living in those smaller communities, they do not qualify under the National Housing Act, obviously they have to look to the Province. Now, what I would like to commend to Government, commend to this Committee, is a programme whereby the Government would provide funds for people, on an individual basis, who, if they are living in, say, Rencontre East, a man wants to build a house in Rencontre East; he intends to stay there. It is not a municipality, as such. There are no water and sewer facilities. There will never be a large housing development, as such. Now that person, in my opinion, should be able to avail of some funds, even though he does not qualify for CMHC Loans, because he is just as entitled as the man in St. John's to have a roof over his head. The cost of the house is just as high in Rencontre East as it is in Marystown or Fortune or any other place.

This is purely a provincial project. Now, what I think has a great deal of merit and it is not original with me, other provinces are doing it. It is for the Provinces in these areas to create its own funds - and it can become a revolving fund. These people are wasting their time to go to a credited-lending institution, because they will not invest their money

by way of mortgage in these areas.

But a man comes in from the District of Bonavista South, a small town there, he borrows from this fund enough money to put up a shell house, his terms of repayment are such that he can meet them without too much difficulty. Over the long haul you create a revolving fund that will enable these people to avail of some shelter too, which right now or up to now has been precluded to them. This is what I would like to see evolved with the new housing policy. We already have the CMHC Housing Policy We have the Newfoundland and Labrador Housing Policy. All very necessary, designed primarily to meet centralization demands and to meet the demands of industry. But there is a third force and a very important third force in this Province that up until to day at least have been completely excluded from the schemes of things and have not been able to find any source of fund to which they can turn.

The third thing I would like to ask and it is simply a question, as I say, and I assume we are following the same procedure as before to eliminate some of the questioning afterwards. Last August, when the hon. the acting minister visited Lawn, there was a commitment made to Lawn to install water and sewerage. My recollection is the then minister told me that the estimated cost of that project was \$265,000. The tenders were called, I am told the lowest bid was \$381,000. That is the last that has been heard of the development for Lawn. There would be no point in laying pipes in the ground unless you connected up to the source of water supply. That town cannot reactivate that plant that it wants to so desperately reactivate, the fish plant, unless it has a source of water supply. I would like to hear from the hon. minister as to what Government will now do, in view of the exceptionally high bid that came in a couple of months ago, according to the then minister, which was away beyond the projection to that area.

MR. SMALLWOOD: Mr. Chairman, every single individual thing that the hon. member has asked us to do we are doing - every one. By asking questions he has in fact outlined all the housing programmes that we have for the

present year, that we have already announced. Every single individual system and device and principle that the hon. gentleman has just abdicated or asked us to do we have already announced that we are doing. As a matter of fact, in this Province, this year, more houses will be built than in any year of all our nearly five hundred years of history.

There will be three thousand or more houses or housing units, something between fifty millions and sixty millions of dollars will be spent in this Province this year for housing. There are all kinds of schemes. There are all kinds of plans. There are things that have never been done before in Newfoundland that are going to be done this year. There is not only shell housing. By the way, may I say in connection with shell housing, I am anything but happy over the success or the degree of success that shell housing has had up to the present time, I am anything but satisfied with it. I have discussed it with Mr. Andras. I have told him of my own personal dissatisfaction, the Government's dissatisfaction with the shell housing idea, as it is practised up to the present time.

The amount of money that a man has to find for a shell of a house is altogether too great, too much — altogether too much, too much beyond the reach of most people. I am reminded that altogether last year, in the four Atlantic Provinces, there were only 221 shell houses built for the whole year. Two hundred and twenty-one in the four Provinces and of these one hundred were built in this Province. That sounds impressive when you say that a hundred out of two hundred and twenty-one were built, but it should have been many times that number. This year it should be even a much larger number than last year, last year should have been much larger than it was.

The whole idea of shell housing is excellent. It is a sort of thing that has happened in Newfoundland for some hundreds of years, not hundreds but certainly scores of years. A man builds a place, before it is quarter finished moves into it, then takes his time to finish the house.

I remember, thousands of people must remember driving around the bay, before the Trans-Canada was built, seeing a little house, back from the road in a field on the left side, as you drove around the bay. I think it was around Kelligrews or may be it was Upper Gullies, somewhere around there. Year by year as you passed you saw that house getting bigger, until it ended up a magnificent, fine, beautiful big house. Now, I knew the man who lived in it. He took five or six or eight years to build that from a little shack into a magnificent dwelling. This was commonplace all over Newfoundland. People would frequently build a little tar paper shack, a tar paper shack of one room and may be partition it, with a sheet hanging from the ceiling to form a partition and a second room. He would move into it, but before he was finished - it might take four or five or eight years - before he was finished he would have a splendid house to live in.

This has happened thousands of times in Newfoundland, shell housing of a sort of primitive character and the people doing it on their own. So when you talk of shell housing today you are talking of something which is basically the same idea, but yet not the same, because to start with it has to have a sort of high standard or else Central Mortgage and Housing Corporation of Canada will not put money in it. It must be covered in. The finish must be on the front of it. It must have the water and sewerage in it. It must have the electricity in it. It must be a complete house, as far as you can tell as you walk along the road and look at it. It is inside that it is empty and that is why they call it shell. But actually so much of it is done before you can move into it that it costs far too much money to accomplish.

We have a bigger programme of shell housing this year than before. We have this scheme of lending five thousand, six thousand dollars to a family, with which to buy the material to build a house then proceed to build it themselves. How many men are there in Newfoundland today who can build their own homes. Thousands of men who can build their own homes, if they

have the bit of material. They need the money to get the bit of material. Give them that, lend them that, they will buy their own material, they will buy it cheaper than a Government will buy it. They will build that house with their own hands, or may be with their sons, help of their sons or brothers or fathers or sons or uncles or may be just buddies, may be chums. But with some help they will go about the building of a house, if they have the bit of land to put it on and the material. Now, people building such houses as that do not have to be connected up with water and sewerage because for that house, all you need is a piece of land. If your father has a garden or a yard and let you take the corner down there, you can get the bit of money to get the bit of material, you can go ahead and the next thing you have a house.

We have applications right now from one hundred and fifty different men, different families, for these loans of that type, five six thousand dollars. I will not read the names, but we have these one hundred and fifty applications at the moment.

MR. HICKMAN: Is that the forty dollar a month repayment - fifty-five?

MR. SMALLWOOD: Fifty-five dollars a month. Ladle Cove; Stag Harbour; Carmanville; Musgrave Harbour; Gander Bay South; Brownsdale; Gooseberry Cove; Dildo; Hants Harbour; Whitbourne; Manuals; Upper Gullies; Burnt Island; Margaree; Hillview; Clarendville; Little Catalina; Placentia; Jersey side; Little Harbour East; Fairhaven; Mount Arlington Heights; Campbellton; Norris Arm; Lewisporte; eleven persons in Lewisporte. Grand la Pierre, twelve persons in Grand la Pierre have applied for these loans of four or five or six thousand dollars. Bay Roberts, Garnish, St. Bernards; Brigus; Cupids; North River; Georgetown; Clarkes Beach; Burnt Point; Old Perlican; Western Bay; Red Head Cove; Corner Brook; Dark Cove; Hare Bay; Seal Cove; Baie Verte; Pollards Point; Fermeuse; Trepassey; twelve persons in Trepassey want to build their own homes, with their own hands with the help of their relatives. What they need is a bit of material to do it with. They want to borrow four, five, six thousand

dollars and pay it back at the rate of fifty-five dollars a month, which you might say is pretty cheap rent today, in Newfoundland.

These are people in Trepassay who work in the plant and probably get very good money. St. Vincent's; Branch; Daniel's Harbour; Norris Point; Cape St. George; Kippens; Carbonear; Nipper's Harbour; Botwood Glenwood; Gander; Bishop's Falls; Harbour Grace; Upper Island Cove; Cannings Cove; Sandy Cove; Musgravetown; Eastport; Portugal Cove; Black Duck Cove; that is down in St. Barbe North; Pleasantville; Kings Bridge Road; that is right, St. John's East, Kings Bridge Road, a man is going to build a house, evidently has a building lot. This is surprising, there it is. I have the name of the gentleman. Somebody is going to build a house on Kings Bridge Road. This is the proletariat are taking over, come the revolution. The aristocracy had better watch for themselves, you are going to see them down there now building their own homes.

Out at Robinson's; Deer Lake; Forteau, in the Straits; That is just a start. When it becomes general knowledge throughout the Province. Everyone of these persons, in every one of those harbours, settlements, gets that loan, starts building the house. His neighbours, other young men getting married, want to get married, want to build a home, people living in poor homes and want to get a decent home, they are going to hear about that. You are going to see, I think, in Newfoundland a trend in this direction. You are going to see a lot of people, say; "by Heavens, if they will lend me five or six thousand dollars, and I am given long enough to pay it back, at the rate of fifty-five dollars a month, I am going to get that and I am going to build myself a house." I would hope that this will do something that we have not done before in Newfoundland. Before houses were built primarily in the large places not in the small places. There was no scheme, there was no arrangement, there was no way.

Even the shell house is not as good as this idea for small families, for people of modest means, living in small places. They can get their own homes. They can get them built, if they can get the bit of material, the two by four, the board, the rough board, the inch board, the match board

the nails, paint, roofing, covering for the roof, concrete for the foundation, posts or walls as the case might be. They can build them to their own standard.

MR.HICKMAN: That money is for materials only.

MR.SMALLWOOD: This is money for materials only. Four or five or six thousand dollars will get enough material to build a comfortable home in the outports, if a man buys it himself; has the cash money to pay for it. He will get enough material for five or six thousand dollars to give him enough to build a house with, then with his own labour, the help of his relatives and friends, he is going to end up having a very pleasant little house. It would surprise some hon. members of this house to see what nice homes men will build in the outports for that amount of money. We are very proud of this. We hope it will become a big thing because it will enable the standard of housing throughout the Province to be raised very considerably.

Then we have a whole host of other schemes and because, after all, Mr. Chairman, this business of house building is not only good because it provides people with houses, it is good also because it stimulates trade, it gets people employed, maybe not many, building these houses of this type where a man borrows the money to buy the bit of material then builds it himself. That will not create very much wage paid labour. But in all of the other forms of housing, this is the quickest way to get men working. So that, apart from the moral side of it, the sociological side of it, the pleasant and attractive thought that people, that new families are being formed, they are getting pleasant little homes to live in, apart from that there is the straight economic side of creating jobs, of creating employment in our Province.

We are going to have the best, the greatest housing programme, this year, that we have ever had in our history. If we can do that this year, why not next year do it and do it even more the year after? Why should we not have for the next three, four, five years, in Newfoundland, a real drive in the building of homes?

Now there is one other thing. I see, the Leader of the Opposition

looking at me. He will be happy to know that he was himself, so far as I am concerned, the main inspiration of what I am going to say now, because I have heard him say this years ago in this House. I talked with Mr. Andras, I said to him; "you know, look, look", I said, "look, we have in St. John's and in a few cases in some of the older towns but chiefly in St. John's, we have a lot of houses that are not good enough. Yet, they are too good to tear down, but they are not quite good enough, as they stand today. But, for God's Sake, let us spend a bit of money on them and upgrade them, improve them, make them better." It is cheaper to spend money on a house that is a bit rundown now, even a bit dilapidated now, but if it is structurally sound, you know, if it is, if the structure of it is sound, even though it looks a bit shabby, spend a bit of money on it, rip the clapboard off and put a new facing, a new cladding on it, a new cover on it. If it is a bit leaky in the roof, rip the black felt off, the tarred felt, and put on a decent cladding on the roof. If it needs this or needs that,

MR. SMALLWOOD:

do it and the next thing you know you have a \$20,000 or \$25,000 house and you do it with three or four or five thousand dollars. Now that is an awful lot more sensible than ripping the house out and throwing it away and building a new house on it. Well he was quite attracted to that idea. I do not know how far you got. Is Mr. Andras doing anything about it?

AN HON. MEMBER: Yes, they are.

MR. SMALLWOOD: Well, that is good. I learned that Mr. Andras has agreed to put aside a certain amount of money for that very purpose that the owner of a house can borrowed a bit of money to put the house he has into good condition. Now that is money well spent and that idea I have to confess I got from the Leader of the Opposition, some five or eight years ago.

MR. MURPHY: In 1964.

MR. SMALLWOOD: In 1964, was it? Well that is seven years ago. I give full credit to the Leader of the Opposition for putting that idea in my mind and it was because he put it in mind that I raised this matter with Mr. Andras and he was very friendly to the idea when I put it to him. I have learned within recent minutes that he has agreed to put aside some money to enable that to be done. However there are so many things that could be said about housing and I am trying to get the votes through. I am trying to get the Committee to vote this money to us for the department and I do not want to delay. I do not want to be the one to cause delay, otherwise the Opposition is going to throw it up that I am obstructing and I would rather make that charge against them than have them make it against me.

MR. HICKMAN: You did not answer the question on Lawn.

MR. SMALLWOOD: Lawn, well, what was the question about Lawn? Could the hon. member repeat it?

MR. HICKMAN: Yes. Last September or last August, when the hon. Premier visited Lawn, there was a request from Lawn for water and sewage installation, which is necessary if that fish plant is to ever be reactivated and a commitment was made -

MR. SMALLWOOD: When were we down about Lawn about the water and sewage?

MR. HICKMAN: Well if the Premier will listen I will tell him when it happened.

MR. SMALLWOOD: I am listening with one ear to the hon. member and listening with another ear to some people over here.

MR. HICKMAN: Tenders were called and the estimated cost of the work was \$256,000. The lowest bid was \$381,000. and that is the last we have heard of Lawn.

MR. DAVE: Let me explain, as I was directly involved at the time. We visited Lawn, the Premier and I, at the time, and we met with the council there and we discussed with them. They gave us the assurance that \$200,000. was sufficient to put in the first phase of water and sewage for the Town of Lawn and when we came back to St. John's we included in our programme \$200,000. for Lawn, as we anticipated and as we had promised. Then we had the consulting engineers to go and prepare plans and tenders were called and the lowest bid we had for the first phase was \$381,000. and, in addition to that, to provide a suitable water supply to the fish plant, which is part (c) of the programme, it would take a total of, including this \$381,000., a grand total of \$587,000.

Now at the present time, the consulting engineers are meeting now with the council to see if this figure can be revised, if it is in some way possible to reduce the cost. When this is done, then the further proposal will be presented to Cabinet for their decision and what action they should take.

MR. HICKMAN: What was the first estimate of the engineers? \$250,000.?

MR. DAWE: No, the consulting engineers told us about \$200,000.

MR. HICKMAN: The consulting engineers, not the people of Law, is it?

MR. DAWE: About \$250,000. by the consulting engineers and we had approved at that time \$300,000, then when the tenders were called, these were the figures that came in.

MR. MURPHY: Are you finished your talk now?

MR. HICKMAN: Well, I still do not know if it is going to be done.

MR. MURPHY: Mr. Chairman, there are just one or two remarks I would like to make on the Premier's statement and I know it will be welcomed by everybody, particularly those people who are barred through regional disparity from owning a house, their own home.

MR. DAWE: That is not regional.

MR. MURPHY: Well it is regional because it applies mostly here in Newfoundland where we must have an income of something like \$8,000. today, to arrange with Central Housing and Mortgage. But the idea was really terrific. I did not get the qualifications as to how much land you must own on it and I am thinking of outside St. John's now, with reference to what we face in a great many areas where you have; the Premier said if your father owns a bit of land and he can give you a little bit down in the corner, I think he was sort of overdoing it in that respect because -

MR. SMALLWOOD: Provided that the Department of Health will say that the piece of land is big enough to contain a septic tank.

MR. MURPHY: That was the point I was trying to make but the Premier sort of treated it generally, as if you had a little bit of land here you could put a house on it. I know that there must be some qualifications because, after all, if we are to progress and build up our communities, we do not want to get into the hodgepodge that we have up-to-date at this time. I must say it is a marvellous idea, because there are many people who would like to own their homes and yet they are barred from

MR. MURPHY:

doing it due to their income. Now I am quite interested in a meeting that took place in Ottawa yesterday, I believe, or perhaps over the weekend, this tenants group, and I am very happy to see they are becoming organized because I feel, Sir, and I am still on housing here, that with the idea I put forward some seven or eight years ago, where in the city of St. John's there are many, many homes, numerous homes that could be purchased for \$9, \$10, \$11,000 or \$12,000 here, and they would be, I think, adequate for people, who are in the lower income bracket and perhaps with fairly large families, that could move in there and start paying rent immediately. All right, it might take thirty or forty years to own these homes, but at least they would own their own home.

I feel that a homeowner would take a very serious interest in his own home and he would spend a few dollars here and there, getting his plumbing upgraded, electrical and outside and so on and so forth. Unfortunately, and there has been a great updating of a lot of homes in my own area that I noticed in some of the side streets, and upon inquiry I find that most of them have had to go to finance companies to get the financing to do these jobs, and it has cost them a considerable amount of money. So I am certainly happy to see that this plan, with reference to the new shell housing Will that be available, will someone who wants to update their home, particularly the older homes, what we call existing homes, would monies be available there for them to update their homes? What interest rate is the Government planning on charging for these?

The Premier said, I think, that they would not need water and sewage. Well, I think that would be a great mistake, to start building homes in this age, and the Premier so proud that we have done away with the outhouses, the one-seaters and the two-seaters, and I would not

MR. MURPHY:

like to see them come back again and I think it might be a part of the regulations that proper plumbing and electrical installation should be made. That is where the labour will come in, of course, in a house, when a man builds his home but he has to get an electrician and get it inspected and get a plumber and have it inspected, and I think that would cost a fair amount of money. But I am speaking principally now of -

AN HON. MEMBER: The National Building Code will apply.

MR. MURPHY: Would apply right through, right? I am just wondering if this fund would be available and I am sure there are many hundreds of people in the city of St. John's and I know there are an awful lot in my area would like to get their hands on some cheap money, to update their own homes and also to purchase existing homes that are for sale, in particularly the lower and middle part of St. John's, existing homes and in good condition and with a few dollars spent, here and there, I think they could make adequate homes. Because I feel, Mr. Chairman, that the greatest block, impediment, to owning a home today is the piece of land that you want to put the home on. Even up in the Topsail Pond area now they tell me that land is becoming quite expensive to buy a block of land up there. In St. John's, what it would cost to build a home fifteen or twenty years ago, you can only get the bit of raw land for today or serviced land.

So it is quite a problem for the ordinary working person. I am sure that all of us will be right behind this making monies available for this type of shell housing. Also I would like to see Mr. Andras become very interested, with the Newfoundland and Labrador Housing Corporation, in making monies available. I remember down at the Newfoundland Hotel, in 1964, Mr. Nicholson, who was then Administrator of Housing, was in and there was a great gathering of people there and

MR. MURPHY:

afterwards I got a chance to speak with him about housing generally and I sort of discussed the idea I had in mind at the time, of existing homes. Because what has happened in St. John's, of course, a lot of people had reared their families and there was only perhaps the husband and wife left and they wanted to get out and get a small bungalow for themselves and the money they got for their existing home was a down payment on the bungalow.

So at the time he showed some interest, and I am happy to know now that the Federal Government has at last seen the light and will make monies available for not only the people earning over \$8,000 a year but also those who are further down on the scale, who will possibly not be in a position to earn that much money. So I am very happy with the Premier's announcement tonight.

MR. SMALLWOOD: Mr. Chairman, in connection with water and sewage in homes in the outports:- The hon. gentleman said that it would be a pity for people to start building homes without water and sewage. Well, now yes and no, it depends on where. The Town of Bay Roberts, the Town of Spaniards Bay, the Town of Placentia and so on, it would not be allowed to start with, the town councils just would not permit it. They have water and sewer systems in, and you cannot build a home in those towns or in other than about one hundred towns in Newfoundland today with water and sewage, unless you connect up to the water and sewage system that is there.

MR. MURPHY: Or else use an electric type of pump.

MR. SMALLWOOD: Right. There are other places, however, where they do not have central water or sewer systems and every individual has his own source of water. It maybe a well that he has gone and dug down ten, twelve, fifteen feet and in that well he has to turn a handle and bring the bucket up, a bucket at a time, or he may have a pump down in

MR. SMALLWOOD:

it and he may have an electric pump into his home or he may have a pump that you just work by hand, and then he will have perhaps a septic tank.

Now we have another scheme this year and we have an amount of \$600,000. laid aside to spend on it, for this purpose, to enable a Town Council or a Community Council, anywhere around the Province, to move in and prepare building lots. Say there is an open space there in the town, in the community, and there is room, at the rate of four building lots per acre, four to the acre, to build building lots for six or eight or ten new homes, we will lend the Town Council the money at the rate of \$2,000. a lot to service that lot. So, per acre, it is four lots, \$2,000. a lot and \$8,000. an acre. We will lend up to \$2,000. a lot to a town council, to enable that town council to service land that is not now serviced.

Now this will give them whatever number they chose, comparatively now, relatively speaking, not if a Town Council comes in and says, "We are going to build 1,000 building lots and we want \$2,000. each," We will look very carefully at that request. But within reason any Town Council can borrow the money now from the Newfoundland Government, at the rate of \$2,000. a building lot, to service the building lots that are not serviced within their border. Now when that happens, the Town Council has these building lots and they can then make their own arrangements with tenants, with purchasers, with citizens in the town or it might be to bring citizens into the town. Let me give the Committee an example; in Springdale the Town Council has been carrying on for years now a campaign of getting building lots ready, getting street lines laid down, so that they can invite people into Springdale. The result is that the population of Springdale has more, much more than doubled, I think it has trebled, Springdale is now one of our large towns.

MR. SMALLWOOD:

The same thing applies to Lewisporte, the same thing applies to Clarenville, the same thing applies to Glovertown, the same thing applies to the Gambo, Middle Brook, Dark Cove area. You have quite a number. The same thing applies to Freshwater, to Dunville, to Placentia, the same thing applies to Grand Bank, Fortune and to Marystown. You have quite the number of places in Newfoundland today, where the town council wishing to build up the town, their town, add to the population by bringing people in from the smaller places to settle there, will go to a lot of trouble to prepare building lots.

Now this scheme that we have this year is the scheme that will help them very much indeed. Springdale can come in and say they have twenty-five building lots they would like to get ready so that twenty-five more families can move into Springdale and settle down there or if Glovertown or Clarenville or any of these towns should wish to do it, they can now come to the Government and borrow up to \$2,000. per lot and establish six, eight, ten, twenty, thirty or forty building lots this year and, hopefully, the same next year, and thereby be helped by the Government to build up their population and therefore the prosperity of their respective towns.

MR. CROSBIE: Mr. Chairman, housing is one of the subjects on which we have talked a great deal of nonsense. There are no easy solutions to the housing problems. Whether they are housing problems of Newfoundland or housing problems of Canada or housing problems of the United Kingdom or housing problems of the United States of America, there are just no easy solutions. I said that in this House four years ago, when I was Minister of Municipal Affairs and Housing, and it certainly has turned out to be right since then and it is right today.

There are no easy solutions to the housing problem and the only way the housing problem can be overcome is by the spending of massive

MR. CROSBIE:

amounts of money to overcome it. Several of the things the Premier mentioned tonight have promise but, for example, when the Premier speaks, as he just did now, of \$600,000. the Government is going to make available this year for town councils to borrow the money and use to prepare building lots up to \$2,000 a lot to service the lot, well that is just 300 lots. That is only, Mr. Chairman, 300 lots for the whole Province of Newfoundland this year, and not only that it is 300 lots, if the cost of servicing them is not over \$2,000, but the cost of servicing lots is very often in excess of \$2,000.

So this particular programme, while it will be a help, it certainly will not hinder, while it will be helpful, is not altogether the answer. If the Town Council has suitable land for building, if a Town Council has a sensible scheme for developing building lots, if a Town Council can show that it has a market for the building lots when they are serviced, if they can go to the bank and show and say, "Here is the land. We got the land for such and such. It will cost us so much money to put in water and sewage. We have fifty or a hundred people looking for lots to buy and they are able to pay \$2,000. or \$3,000. a lot," if a Town Council can show that they do not need help from the Government of Newfoundland to go out and do that, they can borrow the money from a bank, as that project would be self-liquidating.

But the trouble is in many of our communities that the municipalities cannot show this, they cannot do it. They cannot show that there is this demand for the lots or that the people who want to buy the lots can afford to pay what the lots are going to cost or they do not have the trained municipal employees to carry out the work, the servicing work and the sub-division work and the rest of it. So this programme that the Premier mentioned sounds good, sounds like it is an answer, but it is not going to be an answer. There is going to be

MR. CROSBIE:

a lot more required than that. There will be Town Councils coming in who will be looking and want to divide lots and put up lots and they are not going to have the personnel to do it. They are not going to be able to do it, unless the Government can send an engineer out to draw up the sub-division for them and supervise it all and do it all.

So this programme, for example, is no answer to the problem. If we had municipalities that had land available, that had experience work force of their own, where they had a real demand for those lots, at a price that people could reach, they would all be able to do their own financing through the banks. But the trouble that most of them have is that they do not have the experience, they do not have the personnel they do not have the demand and they do not know how to go about it. So if this programme is going to get anywhere, then the Newfoundland and Labrador Corporation or the Department of Municipal Affairs is going to have to do a lot of work and it is going to have to get more experienced people to help those municipalities out. Now that is just one problem.

Shell housing: Shell housing has been discussed in this House, Mr. Chairman, since 1967, when I was Minister, and the several housing conferences we had that year. It has been discussed for the last four years and we finally have some shell houses erected in Newfoundland,

The theory is supposed to be that the average Newfoundlander is a very capable workman and he is a handyman and he is a carpenter and that if he moves into a half completed house, he will finish it off. That is the theory. What I would like to hear is how this is working in practise, because we know there are shell houses completed on the Blackhead Road, but what did we hear on the radio from the Blackhead Road three or four weeks ago? A complaint that the people were being asked to pay, I forget the figure but I think it was \$12,000 or \$14,000.

MR. CROSBIE:

for a shell house on the Blackhead Road, and there were indignant complaints. "Why should we pay \$12,000 or \$14,000 (or whatever the figure was) for a shell house," they were saying, "when across the road we can buy what a private individual put up, and we can buy it all for \$16,000? What are they treating us like that for up here on the Blackhead Road, just going to put up half a house and we have to finish it?"

So while shell housing concept sounds good, and it is certainly worth trying, while it sounds wonderful, after four years, I think, the Premier said we have one hundred, we have one hundred shell houses in Newfoundland, and I think we have precious few of them sold so far, Mr. Chairman. Not only do they have to be sold but those houses are going to have to be completed by the purchasers and put in decent shape before you can start to say that the programme is a success. So shell houses are not the answer.

The hon. the Premier said, when he started his remarks, that this year we are going to have a big year in housing 3,000 starts, "3,000 starts," the Premier said. Well in 1968, here is the report of the Newfoundland and Labrador Housing Corporation to the year ending March 31, 1970: In 1968, on the Island of Newfoundland, there were 2,933 housing dwelling units started. So, if this year, the big tremendous housing year, is going to be 3,000 units, that is 67 units more than were built in 1968. In 1967, the year I was the Minister, there were 2,767 housing starts, that was the record up to that time. In 1968, what I had started continued on and was a record the next year and, in 1969, it was down to 2,507. That was two years ago. I do not know if the figure is here for 1970 as 1970 was not that much either. So this year if it is 3,000 units, it will be up. It will be a record for Newfoundland, but it will not be much better than 1968.

MR. CROSBIE:

Shell housing is not the answer. The Premier's programme there about these lots is not the answer. Subsidized rental, is that the answer? No, that is not the answer. Why is that not the answer? Because it is too expensive. You have subsidized rental units built on Kennas Hill and subsidized rentals built on Buckmaster's Field and what does it cost per unit for each of those apartments? The average cost \$21,000. to \$22,000. That is expensive housing. So there is a very high subsidy in each of these apartments and particularly when they are rented to people who have low income and can only pay twenty-five per-cent of the rent. So subsidized rental housing is not the answer. It was suggested by somebody that Newfoundland's housing problem is due to regional disparity. Not at all! Our housing problem in Newfoundland is not as bad as the problem in Toronto. We are better off in the Province of Newfoundland than they are in Toronto. The poor devils who are looking for housing up in Toronto are far worse off than we are here in Newfoundland and we are bad enough off, we know.

The Premier said that the Federal Government is going to consider making loans on existing houses or whatever it was or for home improvements. Well there have been home improvement

Mr. Crosbie.

loans for years and years. You have been able to go to the bank and get a loan at the bank, under a Federal Programme, to improve your home. That is not new. The Premier mentions another new programme, that the Government are going to lend \$5,000 or \$6,000, up to that amount, to people in outports to build homes. That is a good start. I do not know if he mentioned any particular amount that is going to be voted this year for that.

MR. SMALLWOOD: The amount is \$600,000.

MR. CROSBIE: \$600,000

MR. SMALLWOOD: Yes \$1.5 million.

MR. CROSBIE: \$1.5 million altogether. That is a good start for a loan fund for that purpose. That is going to be a help too, Mr. Chairman. That is not going to be the answer. Look at what happened in co-operative housing, as the personnel of the Department of Municipal Affairs know. We had a programme in Newfoundland, which goes back, I suppose, fifteen to twenty years, where a group of people could get together in a co-operative and they would get a loan from the C.M.H.C., with the help of the Newfoundland Government. They were all supposed to contribute their labour and a couple of them did the carpentry work. Some one else did the electrical. They contributed so much free labour and the rest. For a few years that was quite a success. But what has happened to it in the last five or six years? It does not work anymore. Why not? Because people will not do the work.

MR. SMALLWOOD: That is not true. That is not correct.

MR. CROSBIE: Oh, that has not been a success in the last three or four years. But the Premier can correct me, if the figures are rough. If it has not fallen back, which I think it has, it certainly has not expanded like it should. The answer is that people do not want to spend their time now working, doing carpentry or helping build a house. They do not want to do that. They are not use to doing it any longer. They do not want to do it. So co-operative housing is not the answer. It is part of the answer. This programme that the

Mr. Crosbie.

Premier mentioned tonight, well that will be a help for some people. It will not be the answer either. There are so many people these days who are no longer capable of building a house, whether they live in an outport or where they live. They want to work for cash. They do not want to be spending their time working on a house, where they are not going to get any income out of it while they are working on their own house. These are just some of the problems that come up in housing. So none of these things are the one answer. A combination of all of them and enough money put into it might be the answer. Now, Newfoundland wants to get money from Ottawa for housing. Naturally it is much better for us to get ninety per cent from Ottawa or seventy-five or whatever we can get. But that restricts the Newfoundland in what it can do. If we want to start any revolutionary new programmes, Mr. Chairman, we are going to have to use our own money. After two or three years the Federal Government agreed to finance the shell housing. I think that the Premier said tonight that the new loan fund here, that he is talking about for the outport homes, is going to be all Provincial Government money. You will not get - the Government of Canada have to consider the effect of whatever they agree to, right across Canada, and the tremendous amounts that it is going to involve them in. So if Newfoundland is going to do anything to really far-out tackle the housing problem - something extraordinary, something out of the ordinary, something really to help the low-income person to build a house, we are going to have to do it with our own money.

We are going to have to stop spending \$5.5 million on Elizabethan Towers and projects of that kind. We are going to have to put back into these kind of housing projects \$5 million revolving loan funds and the rest of it, because it will take us years to get the Government of Canada to go along with it. Some of the things which we mentioned here tonight are a good start, Mr. Chairman, but they are not all the answer. Unfortunately there is just no quick answer to that problem. We have got the problem of the high cost of serviced land. What do you pay for a building lot in St. John's today or Corner Brook?

MR. SMALLWOOD. Gold dust.

MR. CROSBIE: "Gold dust," the Premier says. He is right. You pay \$6,000, \$7,000, \$8,000, \$9,000, \$10,000, \$12,000 for a building lot. Now we have the St. John's Housing Corporation, which is a public body that is supposed to be developing serviced land and so on in the public interest. I have always felt, Mr. Chairman, that the St. John's Housing Corporation got off the rails. Instead of developing serviced land and selling it as cheaply as it could, to keep the price of serviced land in St. John's down, what did the Housing Corporation do? It started to do something entirely different. It started developing serviced land and selling it as expensively as it could. Why? Because it wanted to make money to spend on monstrosities like the Elizabeth Towers. The two things should have been kept separate. The St. John's Housing Corporation should have been gotten out of the apartment field and give it to somebody else, certainly, out of expensive apartments like Elizabeth Towers. But what happened is that it made money on its operations in developing serviced land in St. John's, over the past fifteen years, and it has lost money on apartment projects. Elizabeth Towers has lost money. Instead of being^a a factor that held the price of serviced land in St. John's down, it began selling land at what it could get for it and everybody else naturally followed. Every private individual who developed serviced land sold at the same rate as the St. John's Housing and so on. It lost its function. It got mixed up with other projects that it should not have been mixed up in. The land would have gone up in cost anyway but it would not have been as expensive as it turned out to be, had the St. John's Housing Corporation not been making a healthy profit on the serviced land it sold.

Now there are other votes down underneath, Mr. Chairman, for housing. I am going to say more about housing later on, also. I also want to speak on Municipal Affairs, in this topic. Specifically, to start with, Mr. Chairman, I would like to speak on the situation at Bay Roberts and on how that applies to municipal administration. Municipalities in this Province, Mr. Chairman, most of them have not been in existence in excess

Mr. Crosbie.

of twenty years. The oldest is twenty-five years, apart from the City of St. John's. Most of them do not have any large body of public servants working for them. They have got a "jack of all trades" acting as town clerk or town manager. They do not have the money to have a large staff and the rest of it. This means that these municipalities have to be closely administered by the Government of Newfoundland, and that is the duty of the Department of Municipal Affairs.

Now the Department of Municipal Affairs has some inspectors of its own, but there are about 200 municipalities now. There is no way, with the present staff, that that department can be checking each municipality during the year. So what does the department have to depend upon, to a large extent? It has to depend upon the reports of the Auditor General. The Auditor General's Department are required to audit the accounts of all the municipalities, every year. Then the Auditor General is required to make a report to the municipality and it goes to the Minister of Municipal Affairs, giving the results of the audit. If there is anything wrong in a municipality that is not caught by the Department of Municipal Affairs during the year, the department should find out about it at least half way through the next year. It certainly should know about it once the Auditor General's Report comes in. When I was minister, Mr. Chairman, I saw a lot of these Auditor General's Reports on Municipalities. In all of them there would be something wrong, something not being done properly or they would have over-spent their budget or matters like that. They would vary in degrees of seriousness. But there was never, Mr. Chairman, in all the time that I was at Municipal Affairs, there was never a report crossed my desk of a nature of the Report on the Town Council at Bay Roberts, for the year 1969, nor the report that was published in the paper, September 25, 1970, which was the Auditor General's Report for the year - I am sorry. The year is 1969. I got the two reports mixed up.

The report for 1968 which was dated June 16, 1969, which we had last year and the report for 1969, which was dated September 11, 1970 which was published in the "Evening Telegram" September 25, 1970. When I was minister

Mr. Crosbie.

there was never a report came across my desk, in the eleven or thirteen months, that anyway approached what the Auditor General had to say in these two reports. The question is, Mr. Chairman, why did it take the Government so long to act on the report dated June 16, 1969?

In the House last year, when the Municipal Affairs Estimates came before the House, I had a copy of that report. It was sent to me by an unknown well-wisher. It was someone who sent me this Auditor General's Report. I discussed it in this House last year. I cannot remember the month. It was probably April or May. This is the 1968 report. It was dated June 16, 1969. I got a copy anyway while the House was open last year. I spoke on it in the House here, Mr. Chairman. This is not the report that Mayor Adams investigated. This is the year previous. This is the point that I am getting at. It is not the report that the Adams Commission was appointed to study. It was the year previous. It was discussed in this House last year. Last year, when it was discussed in this House, the minister said that he was having officials of his department look into the matter of this report of 1968. At that time I pointed out that it was silly for the minister to have officials of his department looking into this matter, because the minister had been Mayor of that town. Actually, they were going to feel a bit embarrassed if having to look into something that happened while the minister was Mayor. In any event, the minister said that they were looking into it. This was April, May, last year, whenever Municipal Affairs Estimates came up. It might have been early, in June. The minister said then that his officials were looking into the 1968 report - not the 1969. The 1968 report just to mention a few points in it, pointed out: (This is the report dated June 16, 1969) "that the expenditure exceeded the limits of the approved budget by \$50,174." Then it shows how it exceeded it. That is not too strange, Mr. Chairman. Most of the audits that come into Municipal Affairs show that the councils over-spent their budget. That has not being looked

Mr. Crosbie

on as any great crime. But this one over-spent by \$50,000, without the approval of the minister. Then it pointed out that arrears of revenue - the allowance for doubtful accounts, amounted to \$1,100 which was, in the Auditor General's opinion, too low. There should have been another \$4,200 allowed. Well that is normal enough. This happens all the time. They are not allowing enough for doubtful accounts. But then it went on: Mr. Chairman: "The manner in which the accounts had been kept and adequacy of the safe-guards against fraud" - it went on to say, "the position in these respects cannot be considered satisfactory for the following reasons: "(1) the tax register was not written up for the year." (It was not written up for the year. It was not written up for the year, 1968.) "(2) Forty-two cheques, cancelled by the Town Manager, were not available for audit examination." (Forty-two cheques had flown the coup. They were not there to be examined by the auditor. They were cancelled by the Town Manager). "(3) Council has not adopted the recommended procedure of recording in the Minute Book approval of invoices for payment. "(4) Current accounting work was in arrears and as the 1969 cheque register was not written up" (It was not written up, the cheque register) "it was not possible for the auditors to reconcile the town's bank account at the date of the audit." So those were four points, Mr. Chairman. The Auditor General pointed out that the adequate safe-guards against fraud in this case were just about lacking. The tax register was not written up. There were cancelled cheques and cheques which disappeared. Recommended procedures for approval of invoices were not carried out, current account work in arrears. Then it went on to other matters. Other matters were that there had been a debt of \$24,000 and so on. Then it went on: "The bank loan of \$30,000 was obtained with the Minister of Municipal Affairs for construction of retaining walls and a causeway. It appeared that a substantial portion of this amount was expended for other purposes." Here is the bank loan of \$30,000 approved for certain purposes by the minister.

Council cannot borrow except with the approval of the minister and he has to approve the purpose. Here is a loan of \$30,000 which the

Mr. Crosbie.

council got. The Auditor General says that a substantial portion was expended for other purposes. Then subject to the foregoing comments it presents the financial position of the town. "A copy of this report and a copy of a within-mentioned financial statement have been furnished to the hon. the Minister of Municipal Affairs."

Now this is dated by the Auditor General, June 16, 1969. I had this copy in June, 1969, at the latest. The minister must have had the copy at the same time. In any event, in this House..

MR. DAWE: That statement was not received by the Department of Municipal Affairs until December of that year. I repeat, until December of that year.

MR. DAWE: This can be verified. Last November, I think, is the year in which we had the council election. The 1969 statement is the one which is referred to. I was the Mayor at the time. That statement was not received - it was received by my department when I was the minister. It was never received by the council prior to that date or prior to that council being in office. This can be verified through the Auditor General's Report. It was made as of June, as the hon. member mentioned. But through some misunderstanding, an amount was due, I understand, from the Physical Fitness Division. There was some dispute or some disagreement, as the amount was due the council from the Department of Provincial Affairs, on some community projects like playgrounds and others. It referred to playgrounds. For this reason the Auditor General did not finalize the report. It was not received by the department or by the council. - the old council. It was received by the new council, which was not elected until November at Bay Roberts at that year.

MR. CROSBIE: I certainly accept that, Mr. Chairman. Do not get the dates mixed up. This is the report for the fiscal year, 1968 that is dated June 16, 1969, almost two years ago. If the minister says that that was not received by the council that went out of office at the end of 1969, I see no reason to dispute that nor by the Minister of Municipal Affairs. The point is, though, that they had

Mr. Crosbie.

had it by January of 1970 and this issue was discussed in this House in June, 1970. That is eleven months ago. At that time the minister said that his officials were investigating this report. This is the report that his officials were investigating. He said that they had been investigating it for several months.

Now that report, Mr. Chairman, was certainly enough to put anybody in the Department of Municipal Affairs, the Minister and the Government, on notice that there was a serious situation brewing in the Town of Bay Roberts, that the manner in which the accounts were kept was not adequate with respect to the possibility of fraud and otherwise. So that is what the minister said when the matter was brought up last year. Well I do not know what his officials were investigating or what they were doing or how quickly they acted, but I believe they went into Bay Roberts. The new council took over office in January 1, 19..

MR. DAWE: November.

MR. CROSBIE: November 1, 1969. I think the departmental officials, once they got that report, went over and saw that they were straightened up a bit and had gotten on the right start. Now that was June, 1970. In September 11, 1970, the Auditor General made another report for the year 1969. That report certainly verifies what his earlier report had verified and a lot more. Now this was printed September 25, 1970. I do not want to go into detail. Most people are familiar with what that found. The expenditure had exceeded the limit of the approved budget by \$57,000. The tax levies were not reported in the tax ledger during the year. The bank accounts were not reconciled during the year. There were ninety-two charges, involving \$4,500, made against the bank account during the year. The pay cheques were not produced for audit. There were several unofficial receipts, allegedly issued by the Town Manager and not credited to the taxpayer's account. Payments were made for which no supporting voucher could be found. Twenty-five entries were marked "Cancelled" in the cheque register. The cheques were not available for inspection. The minutes

Mr. Crosbie.

of several minutes of council during 1969 could not be located. Cancelled cheques on hand show that some had been signed in blank by the Mayor. Contracts had been entered into in excess of \$500 not approved by the council, by the Town Manager or by the Mayor himself. Anyway there was no evidence of council approval. There is a deficit of \$43,000. The minister could not express any opinion on the fairness of the financial statement for the year ended 31 December, 1969.

Now the Auditor General's Report is dated June 16, 1969. It is addressed to the Mayor and Town Council of Bay Roberts. I cannot see why it would not have been delivered to the Mayor and councillors in June, 1969 and why a copy did not go to the Department of Municipal Affairs in June, 1969. That is the usual procedure. The statement of the Auditor General, dated September 11, 1970, was given to the Bay Robert's Town Council and published by them on September 25. So the time between the date of his report and the time the council got it was at the most a week or two weeks. I can hardly believe or it hardly seems sensible that this report, a serious one like this of June 16, 1969, did not reach the Mayor or the Town Manager or somebody at Bay Roberts within a week. Why would it not have reached the Minister of Municipal Affairs? It is inexplicable to me. However, if the department only got it in January, say, of 1970 it was too late to do anything about 1969.

MR. DAWE: December!

MR. CROSBIE: December, 1969. Well what does all that point up? It points up the fact, I think, Mr. Chairman that more has to be done in the Department of Municipal Affairs to supervise adequately the operations of municipalities in this Province. It points up the fact that rather than just have the Auditor General checking the accounts of the town, after a year has ended, that the Department of Municipal Affairs are going to have to get more personnel to start making spot checks on the operations of municipalities during the year. That in addition to an audit, a pre-audit is needed. A preliminary investigation

MR. Crosbie

is made by the Department of Municipal Affairs. If that has not been done yet, it should certainly be done now. There should be a squad in the Department of Municipal Affairs that travels around doing just that, dropping in on municipalities, making a quick check of the records, all during the year. That is obviously very necessary. What is the point of finding out about these things or a situation like this once they have occurred? It is still better to find out about them then, but it is more desirable to try and prevent them, if they can be prevented. Now there has to be a larger effort made to obtain trained personnel for town councils and municipalities in Newfoundland. There should be more money made available for courses at Memorial, or there are other places. I know there is one which I think has just ended, where town clerks and so on were in for a two week course. There has to be more of that. I think the Government are going to have to provide more financial assistance to help these municipalities get trained personnel. It is the same problem which I mentioned earlier, when I was speaking about building lots. There is a town divided into subdivisions, as I mentioned when I started my remarks. It is easy to say that. But if they have not got the personnel to do that, if they do not have the personnel themselves to carry out that work, it is not going to help them very much. There is one other thing wrong, Mr. Chairman, in this situation. As soon as that first report for 1968 was received by the minister, (he says he received it in December, 1969, a month after he became minister) he should have had an inquiry commenced then, not waited, not his departmental officials. It was a conflict of interest from the start, to suggest that the officials of the department should do this inquiry, when their minister who had been Mayor had been involved. How could they possibly? They might very well do a proper inquiry but how would they look to the public? The public would not actually say; well they are not going to bring in any report that is damaging to the minister. They are going to fear for their jobs.

What should have happened, when the minister got that first report of June 16, 1969, was that an inquiry should have been started then, by an independent person. It would not have to be a commission of

Mr. Crosbie.

public inquiry. It could be just some capable person, lawyer or otherwise, appointed to go out and investigate this report, with an accountant, and to bring back a report to the Government. But some independent inquiry should have been made then. It should not have been left so that it was discussed in this House last June and then left again, with the same weak excuse that departmental officials were looking into the matter, until September, when the Town Council over there forced the matter by publishing the Auditor General's Report. Even when the Town Council went and published its report in September 25, 1970, still there was no investigation launched. The story still was that there was going to be an investigation by officials of the Department of Municipal Affairs. It was not until a few days later, when there was comment on it in the press, that the Government agreed to appoint Mayor Adams to probe the accounting procedures of Bay Robert's Town Council, under the Public Enquiries Act. There had to be public pressure to get that from them. Well that was all wrong. It should have been investigated and reported on long before then,

MR. CROSBIE: Mr. Chairman. Now we have the Royal Commission's report itself. I do not want to spend much time on it but it certainly does confirm everything that the Auditor General said and more besides. He restricted his enquiry to the year 1969. I did not inquire into the records of previous years but in some instances I referred to them. He had the report that the administration and the affairs of the Town were conducted in an appalling, slipshod manner. He was convinced that the Mayor was aware that the Town Clerk was unable properly to cope with his responsibilities and was not performing his work satisfactorily and that the Mayor did not intensify his direction and control to ensure a reasonable standard of efficiency.

There is no evidence that any steps to initiate improvements were taken. In fact quite the contrary is true, because it is apparent, based on the evidence, all of which was given under oath, that the Mayor compounded a completely untenable situation, sheltering the Town Clerk from the enquiries of Councillors.

Now Mr. Chairman, this points out something else, that Councillors should be aware of in this Province, they are not just on a Council to be pushed around by the Mayor. In a Municipality the Mayor is just the first among equals. He is not in the position of a premier in a province or a prime minister of a country. The Mayor cannot dissolve the council. He does not get the councillors elected. He does not get them defeated. He is just their chairman, with certain special responsibilities in that position. But the Councillors on that Town Council, that went out of office on the end of November in 1969, in Bay Roberts, left everything in control of the Mayor and the Town Clerk between them, which is wrong. They do not have to do that.

MR. DAWE: That is a matter of opinion.

MR. CROSBIE: Well it is a matter of Mayor Adams' opinion. It seems to be backed up by the evidence. Well that is wrong. They have responsibilities too, Mr. Chairman. They should have known or done something about a weak administration. They must have seen the results of it. The Commissioner

MR. CROSBIE: finds that many, if not all, the important policy decisions were made by the Mayor and the Town Clerk, without consultation with the Councillors. This failure, to fulfill their responsibilities to the people, relegated them to a minor function in the Government of the Town, and they became Councillors virtually in name only. That is what the Commissioner finds.

Now it is quite likely, Mr. Chairman, that this situation will be repeated in other Councils around the Province, that there is, on a Council, there is as mayor, some strong dominant character, it could be a man or a woman, and the others are abdicated their responsibility to him. I would like to see the Department of Municipal Affairs make it clear to every Councillor who gets elected and the mayor and council when they get elected, just what their duties and responsibilities are. The councillors do not have to bow to the Mayor. They have got every right to express their opinion and dissent if they want to. A lot of them do not seem to know that.

Given this attitude, the Mayor and the Town Clerk developed into a two-man team. Then he goes on to discuss hundreds of items that were missing and the Commissioner had to depend on the Town Clerk's memory. This could have been avoided, of course, if the Town Clerk had maintained proper records, in accordance with accepted accounting principles.

The Mayor and Councillors, in their evidence, stated that Mr. Mercer did not seek additional help. In fact, in response to a question, the Mayor stated that if Mr. Mercer had asked for additional help, someone would have been found to provide it.

Well, Mr. Mercer should not have had to ask for additional help. If he was obviously doing an incompetent job, he should either have been replaced or additional help should have been gotten for him.

The report points out, on page eight, the Commissioner says: "I have to report that I was unable to find conclusive evidence that he misappropriated public money." This is the Town Clerk, Mr. Mercer. "Some aspects of his dealings with the revenues of the Town were questionable and certainly not in accordance with normal accounting procedures. These matters, with all

MR. CROSBIE: the honesty and sincerity I can muster, prevent me from reporting to you with unqualified certainty that there was absolutely no misuse of public funds. I could not find any evidence of misappropriation of public funds by the Mayor or Councillors."

The situation that Mr. Adams found in his investigation was not that there was no fraud or not that there was fraud, What he found was that there was no evidence on which he could decide whether there was misappropriation of public funds. That is what the sad state of the Bay Roberts accounts were, that the Commissioner could not report: "Yes, there was misappropriation," and could not report: "No, there was no misappropriation," or that anyone has misappropriated anything. The evidence was just gone. He was unable to find conclusive evidence that he misappropriated public money.

Then the report deals with giving temporary receipts to the taxpayer, Imagine that being permitted. You know that a Town Clerk can make out his own receipt, when a taxpayer comes in and pays cash, pays his municipal service fee of \$10.00. The Town Clerk does not get an official receipt book and give him a receipt, he writes it out on a piece of paper, makes up his own receipt, so there is no evidence in the Council office that the taxes were ever paid, fantastic! Ninety-two missing cheques paid out of the Town's bank account. "I, like the auditors, was unable to locate the missing cheques." No explanation as to why the cheques were missing. He could only conclude that these cheques were lost after they had been returned to the Town Office. The Bank gave evidence that they were returned to the Town Office.

"My investigation also confirmed the observation made by the Auditor General that expenditures were made for which no supporting vouchers could be found. No formal purchasing procedures had been established by Council," and so on. "The last time accounts were passed for payment at a Council meeting was on November 23, 1966." In four years, Mr. Chairman, accounts were not passed at a Council meeting in four year, the payment of accounts. "The Mayor and Councillors were extremely lax in their duties in this respect," It is obvious that once he permitted this laxity, another step was taken towards the abandonment of

MR. CROSBIE: control, that is for sure.

"The Mayor condoned an acquiesced in an improper procedure when he permitted the Town Clerk to make expenditures without reference to Council." Under The Local Government Act, an expenditure of less than \$500 can be made by the Town Clerk, without the permission of Council. But what was happening in Bay Roberts was that the total expenditure might be \$5 thousand, but as long as the Town Clerk only spent \$500 at a time, the Mayor permitted him to make these expenditures, which is improper. The Mayor condoned an acquiesced in this improper procedure. The Councillors all professed knowledge of The Local Government Act on this point but choose to ignore it for varying reasons. The main one being, on making enquiries they were told that everything was all right. Cheques were signed by the Mayor, in blank. That is obviously wrong. Then there are two gentlemen whom cheques were made out to, who denied categorically that they received the cheques. The cheques were cashed. There was a Mr. Walter Bishop, two cheques, and another Mr. Donald Dawe, two cheques, The cheques were issued to them in their name and cashed, and they never received the money. That is peculiar, to say the least.

Then there was the procedure with the Town Clerk's salary of \$350 per month, no deductions made to the Canada Pension Plan, unemployment insurance and income tax. Overpayment on his salary for the year 1969 and so on.

The administration of public works projects by the Council was performed in a most unsatisfactory manner. That is putting it mildly. The Town Clerk at times did not know how many men were on the payroll and all the rest of it. It is all in the report there.

\$23 thousand for the construction of a retaining wall, alleged to have been approved at an October meeting of Council, with no record of it, or even of the contract, awarded. The contract was signed on behalf of the Town Council, by the Town Clerk. Neither the Mayor nor any other elected official signed it. Then there is disagreement about how many meetings the Council did have.

Page twenty-eight discussing the Mayor and the Town Clerk, they appeared to have worked very closely with each other and, while this is desirable

MR. CROSBIE: and necessary, it appears that it tended to exclude the Council from certain matters with which all Councillors should have been concerned. No revised budget submitted for approval.

On November 25th., page twenty-eight 1969, approval was obtained from the Minister of Municipal Affairs for loans up to \$40 thousand to cover loans and overdrafts already obtained by Council. There is no evidence of a written request from the Town Council for this approval. Now the Minister of Municipal Affairs, on November 25, 1969, I believe was the hon. member for Port de Grave and on November 25, 1969, he approved loans up to \$40 thousand to cover loans and overdrafts already obtained by the Council. In other words, already obtained improperly by the Council before he became Minister. This is what I take this to mean, if it means otherwise, I presume the member will correct it. The member for Port de Grave had left it, had borrowed up to \$40 thousand on overdrafts, on loans, without approval of the then Minister of Municipal Affairs, but on November 25, 1969, approval came from the new Minister of Municipal Affairs, for a loan to cover those previous loans and overdrafts, That is what the report suggests, on page twenty-eight. If that is wrong, the member can correct it.

Then there is the question of business taxes owned by Dawe's Nail and Hardware Limited, a Company in which the Mayor is one of the shareholders. Where there was \$553 in business taxes owing and the ledger account crossed out, taxes reduced from \$130, \$173 and \$150, for three years, down to \$30 or \$20, so that the total arrears, at the end of 1969, was \$190 and not \$ 553, with no approval of Council for the reduction or any evidence of an appeal by the Company against the tax or the tax assessment.

These were the matters that were found by the Commissioner, when he made his report just recently to the Government and tabled in this House. Now the hon. member for Port de Grave resigned as Minister of Municipal Affairs the day the report was tabled. He did the right thing, Mr. Chairman, there was no other course he could take, with a report like this which involved the Town of Bay Roberts when he was Mayor. He could hardly expect to be Minister of Municipal Affairs, supervising and superintending the affairs of the

MR. CROSBIE: municipalities all over Newfoundland, when at Bay Roberts, in at least two years, there have been this poor administration when he was in charge there and probably, no doubt, the Minister was busy on other matters during that period. He was busy in several other directions and did not have the time to spend on this. Some of the matters were to do with public affairs and other affairs and the job, Mr. Chairman, of being Mayor of a municipality, where you are not paid, (Mayor and Councillors are not paid) it takes a lot of time and I have no doubt that after you are Mayor for seven or eight years you get a bit fed up with it and you are perhaps not as sharp about it as you were when you started out in the beginning.

Now the reason why I am discussing these matters is, what are the lessons that are to be taken out of it? I think one thing that indicates is that we should now considerate paying mayors and councillors of our municipalities, certainly of the town councils. In my view they should be paid on the basis of so much a meeting but the mayor receiving something extra for the time he has to spend, not at regular meetings of the council but on council business. In other words, it is all well and good to say that you hope to attract people who do not want any compensation, That is all well and good but we have the St. John's Metropolitan Board, Mr. Chairman, we are paying the members so much a meeting. We are paying the Chairman more than that. We have other bodies, all of which are paid. I feel that we should now, and it would not cost all that much, we should now permit municipalities to start paying their mayors and councillors so much a meeting, for each meeting they attend, and then an extra amount to the mayor, The Department of Municipal Affairs can easily calculate it, an extra amount to him, for the extra time he has to spend. Because I would say that a mayor has to spend or should spend two to three times as much time on the affairs of the municipalities as an ordinary councillor. He is the chairman. He is the figurehead of the town. He is the one that is looked on as being responsible. I feel that one of the lessons we should get out of this report is that it is now time to start paying mayors and councillors. Community councils may be different, they are a lot smaller; they meet a lot less often, but municipalities, town councils, local

MR. CROSBIE: improvements districts, I think we should give them some encouragement and some remuneration for their work that they are doing. So as I see it then, there are several things.

I mean this Report, this Adams Report, Mr. Chairman, is of no use, is not of much benefit unless it is followed up by action, So the Government should now consider payment to mayors and councillors on the basis I have just mentioned. The Department of Municipal Affairs should take on more people, qualified in accounting and otherwise, to do pre-audited checks in municipalities and to assist where they can. That always has been part of the policy of the Department but just not enough people do it these days, with the large number of municipalities there are.

It may be that the Auditor General's Department needs more staff to enable him to do the audits of municipal accounts more quickly. He has a tremendous lot of work to do. Perhaps there should be a couple of auditors who spend their full time, perhaps they do now, and who spend their full time just in auditing municipal accounts. That needs to be done.

The next time a report like this comes in to the Department of Municipal Affairs, there should be action. Where adequate safeguards are not being kept with respect to fraud, that should be acted on immediately. The next time a report comes in like this 1968 or 1969 report, the Minister involved should have it investigated, I would say, more promptly. Perhaps it could not have been more promptly. The Minister says it came in at the end of 1969, well then, I would like to know why it was so late in coming in?

So there are a number of lessons. The other point I would like to make is that we have got to make a greater effort, Mr. Chairman, to get more experienced, better trained personnel for at least our town councils and our larger municipal bodies and, if that means an extra grant from the Government to do it or to assist them in getting more personnel and better personnel, so be it, because, as I mentioned earlier in this discussion tonight, we cannot expect municipalities to develop building lots, and sub-divisions and all the rest of it, if they do not have the staff to do it. So I would be interested in hearing what steps the Government are taking as a result of this Royal

MR. CROSBIE: Commission Report.

MR. SMALLWOOD (J.R.): Mr. Chairman, I want to make comments on one or two things that the hon. member has said. In the first place he is wrong in the number of councils, there are two hundred and fifty in the Province.

I know that he has not got the latest count but it just happens that I have and what we are talking about in Newfoundland tonight is the operations of two hundred and fifty elected bodies all over the Province.

I suppose they involve over 2,000 persons, and none of them gets paid. The former Minister, my colleague sitting on my right, was elected to the Council of Bay Roberts for eighteen years. He served on that Council for eighteen years, unpaid, ten years as a Councillor and the later eight years as a mayor. Eighteen years he served that Town, completely unpaid, not a single dollar in the eighteen years. He did not even get one dollar a years. He did not even get eighteen dollars for the eighteen years. He worked free for the eighteen years for the citizens of Bay Roberts, and the people of Bay Roberts know it. They are well aware of it and they are deeply appreciative of the work he did for Bay Roberts. They know the work he did. They are well aware of it. It is well know. It is known to every family in Bay Roberts that he worked, he worked hard for the town, to build up the town, to provide municipal services. They led all the towns in Newfoundland in municipal paving. I think he paved just about every street in the town.

MR. DAWE: Twenty-seven miles.

MR. SMALLWOOD: Twenty-seven miles of paving done in the Town of Bay Roberts. The Town Council has spent \$1.5 million since they have been there. That is a lot of money to be spent in a relatively small community and they got absolutely tremendous value for that \$1.5 million, tremendous value indeed.

All of these people of Bay Roberts so well know. Now Mr. Chairman, the Committee will not take my word for this, the evidence of this will be seen in due course, pretty convincing evidence of what the people, not only of Bay Roberts, of the whole constituency of Port deGrave think of my hon. friend. There is not the slightest suggestion, not the least suggestion, that he himself personally benefited one single dollar by being a councillor for eighteen years,

MR. SMALLWOOD: eight of which he was Mayor, leading Executive, unpaid.

But the hon. gentleman just sat down said the hon. member did right to resign, Of course he did right to resign. The reason he did right to resign as Minister was that he did not want to cause the administration any embarrassment, which is a very big thing of him. He was guilty of nothing except perhaps a little carelessness in the last year or so that he was Mayor. If you have been eighteen years in a town and your job is really done and you wanted to quit, you wanted to get out and began neglecting it, it is very human and very understandable.

However, he certainly did not want to cause any embarrassment to me as the Leader of this Government, as the Leader of this Party and to his colleagues in the Cabinet, who respected him as being a very hard worker indeed.

Now I want to make it known here tonight that it was not the Auditor General nor the Department of the Auditor General that discovered the loose, slipshod system they had in the Council at Bay Roberts. It was discovered by the Department of Municipal Affairs. The Department of Municipal Affairs, under the Ministry, I may say, of my hon. colleague, who is now the Minister of Economic Development, not he personally but while he was Minister, the officials of the Department of Municipal Affairs discovered the slipshod way in which the accounting of the Council at Bay Roberts was being done and it was the Department of Municipal Affairs who brought it to the attention of the Auditor General and requested the Auditor General to send these people to Bay Roberts to check on it. The very report of the Auditor General, that I asked his Worship, the Mayor of St. John's to go and look into, that very report of the Auditor General was the result of an enquiry that his men made at the request of the Department of Municipal Affairs. This fact has not come out until this moment here, now. I am given this assurance by people who certainly should know and I repeat the assurance and I take responsibility for it, of course. Only I can take responsibility for the statement, I having made it here. No one else has any right to make a statement except an elected member of the House, and I take responsibility for what I say here. I say that; that it was the Department of Municipal Affairs itself that first of all discovered the loose

MR. SMALLWOOD: and slipshod way in which the accounts were being kept in the Town Council at Bay Roberts and they, having discovered this state of accounts, asked the Auditor General to look particularly into that matter. The Auditor General did so by sending his officers to Bay Roberts and writing the report which has led to the appointment of the Mayor of St. John's.

Now as to the appointment of the Mayor of St. John's, this was not at all done by the Government as a result of any pressure. The fact of the matter is that I was out of the Province. I was in Romania or somewhere I do not remember, London, in Paris in connection with the oil refinery, maybe. Anyway I was not in the Province and when I returned to the Province...

MR. DAWE: I met you at the airport.

MR. SMALLWOOD: The Minister, the former Minister, my colleague here, met me at the airport as I arrived, and told me of the report and I said; "well, Eric, there is only one thing for it, we must have a thorough-going enquiry into it." he agreed. Then I cast my mind around for a day or two; who would be a good one, that would command public respect, and I thought of the Mayor of St. John's, Mayor Adams, who is a lawyer and I think a Queen's Counsel, and is thoroughly familiar with municipal matters generally throughout the Province. I said; "if I ask Mayor Adams to act this will command public respect."

Although I ask you to note, Mr. Chairman, I ask you to not this fact that because and only because, well maybe not only because, maybe there is another reason as well but certainly because he was a Liberal, in the opinion of some, a Liberal late in making his report, in submitting his report, because of that, do you remember, Your Honour, the sneers that appeared in a certain newspaper, editorially? Do you remember the sneers there were about Mayor Adams? Tory sneers they were, about his lateness and he was obviously going to produce a white-wash, obviously he was getting ready to submit - Oh no, there was another suggestion that

MR. SMALLWOOD: he was not going to submit it until after the election. He said nothing, and I said nothing and we just waited until he was ready to submit his report and he submitted his report, and admittedly the report is utterly fearless, impartial, fearless, independent and very, very competent. The people of Newfoundland should be, as the Government are, very grateful to the Mayor of St. John's for the absolutely thorough-going fearless, competent, independent job he did in making that enquiry. No thanks to those who sneered at him. No thanks at all.

Now I fear, I fear that the slipshod way in which the accountants of Bay Roberts were kept, by the town clerk, as the hon. the member for St. John's West said, "a jack of all trades," a pretty good description of most of the town clerks or many, maybe not most, maybe not the majority, but some at any rate of the town clerks around our Province today. We have 250 of them, and very few, if any of them, have gone to college, very few, if any of them, have had any training in the work of being a town clerk. Very few indeed have had any training and I fear that at least some of them throughout the Province are somewhat lacking in competence to do this work. I fear that some of the couple of thousand councilors there are throughout the Province are not, all of them, thoroughly competent as administrators. I fear that some of the 250 mayors, some of them are not entirely, highly qualified administrators or chief executives to operate towns. I fear that. I fear that it will be some time to come in the future before every mayor elected in Newfoundland and every councilor is a thoroughly competent and experienced administrator and before all the town clerks are thoroughly experienced and competent administrators. We will reach that in time, but the growth of the local government movement, which is a very admirable thing, has been so rapid, so fast, it has come so rapidly in Newfoundland that it would be an utter miracle if, as happened the other day; the department found another case, the other day, of a council, I will say nothing

MR. SMALLWOOD: at all to indicate who the council are or where they are, but recently, within recent days, the department has found a council where it was not just a matter of poor accounting, slipshod accounting by a town clerk, who is not an accountant, but the disappearance of money. This happens. It should not. There is no excuse for it. Well there maybe an explanation, but there is really no excuse for it. The Department, which incidentally consists of twenty persons, the minister, the Deputy Minister and the personnel of the Department of Municipal Affairs, I am not talking now of the Department of Housing, but of Municipal Affairs, is a total of twenty persons. I do suggest that twenty persons are not, I repeat, are not enough in number or perhaps even in experience, not enough to exercise a close, a very close supervision over the operations of 250 councils, scattered throughout the entire Province. I suggest that number is not large enough.

Now it is true that fourteen or fifteen auditors, I suppose some of them chartered accountants, I suppose, I do not know, but fourteen or fifteen auditors of the Auditor General's Department are working full time, full time the year around, fourteen or fifteen auditors, full time the year around, year in and year out, are working on the auditing of the accounts of the town councils. Now I do not think that is too reassuring a fact. That is a post audit, that is an audit of what has happened after it has happened, what is needed obviously is some pre-auditing. Even more than just pre-auditing, I think, what is needed (and perhaps this is only another term for the same thing, perhaps, it is a better way to put it) is a system of tighter control over the financial transactions of the councils. A system of financial controls, accounting controls of the finance of the council; this is needed.

The latest thinking in the department is that there should be opened in the Province three regional offices of the department. Three regional branch offices of the Department of Municipal Affairs and these would be

MR. SMALLWOOD: large central points in the Province and from those three regional branch offices there would go out frequently inspectors who would visit all the councils in their region at least twice a year, each council to be visited at least twice each year, by an inspector from the nearest regional branch office of the department.

Now, of course, this will involve finding and employing an increasing number of competent men, of trained men. I understand, I remember talking with Lord Taylor about it three or four years ago, I do not know what has happened, but I remember talking to him over the desperate need there is in this Province, the utterly desperate need, as the Province grows, as its population grows, as administration provincially, municipally grows bigger and more complicated, more sophisticated, as that happens the desperate need there is for an new activity in the university, to train men in public administration. It is one of the greatest needs we have in Newfoundland today. This Government needs men. We have managed to procure a few. How many have we got so far in the Department of Finance, from the University, in the last two or three years?

MR. JONES: A dozen.

MR. SMALLWOOD: A dozen. We have managed to get a dozen men, graduates of the School of Commerce and the Department of Economics of the University. Mr. Chairman, a dozen men is a joke. That is a joke. That is a dozen - in Finance and in other departments maybe another dozen. That is the outside. A couple of dozen men we have managed to get, in the last three or four years, from the University, university graduates with their degrees, to come to work in the Government. How many have the 250 councils got? I would venture to say not one. I would venture to say that in Newfoundland tonight there is not one university graduate, I mean trained in public administration, in the whole Province, working for these 250 councils. I would venture to think there is not even one. There may be one, I could be

MR. SMALLWOOD: wrong. There may be one dozen out of 250 councils.

The need is great, in the University, for a special department of public administration. I hear that Lord Taylor said, at the University on Friday or Saturday, that he had been importuned by me some years ago to get a Law School started. That is true. I would like to see us have our own Law School in Newfoundland. I would like to see that. But, years ago and before I talked of a Law School, I talked of a School of Public Administration, and I do hope they will do that.

Now, before I sit down I want to say one or two things about - by the way I agree with the hon. member for St. John's West, with virtually everything he said. I thought he was unduly harsh, altogether unduly harsh in his references, and unduly long. He just proceeded, virtually to read the whole report.

AN HON. MEMBER: Inaudible.

MR. SMALLWOOD: It is not a department. There is a course, I am told by my colleague the Minister of Finance, there is an on-going course at the University, in public administration. But it is only a class, it is not a division, it is not a department. It is not a discipline. It is just a relatively I take it, relatively minor activity.

Now what the hon. member said is correct. I have to agree. I think, he was unduly and unnecessary harsh. I gather the impression that he wanted to be a lot harsher than he was, but he was harsh enough as it was, I thought. But his main point, that with the growth of municipal government in this Province, we need a bigger and stronger Department of Municipal Affairs, I am in complete agreement, in absolute agreement. I do not think there is any room for disagreement. I think it is irrefragable. It is just undeniable. I am sure, yes, Mr. Chairman, the Department of Municipal Affairs needs to be made into a stronger department.

It has been very good on the propaganda side, It has gone out in the Province and it is propagandized in the settlements in favour of municipal

MR. SMALLWOOD: government, because remember, the 250 councils are a great tribute to the propoganda side of the department. Every one of these councils represents virtually a case of someone going from the department, holding a public meeting in a community, explaining what a town council is and what it is for, what its powers would be, what its responsibilities would be, and what it would try to accomplish. In many cases more than one such public meeting. So they have done a very good job of persuading people, communities, to organize themselves municipally. I think they deserve a lot of credit for that. Every minister who has been in the department, including, God forgive me for admitting it, the hon. member for St. John's West. He, too, carried on quite a bit of effective propoganda along the same line and every minister we have had has done that. Mr. Abbott did it, when he was Minister there. All the ministers had done it. They did a good job. But the department has not kept pace with the growth of municipal government, has not kept pace in its own personnel, in its own trained and competent personnel. This is going to have to be changed and changed rapidly.

Now it is too late to comment on all the points made about housing. Here are one or two - the shell houses in Grand Bank, there were ten of them, cost \$7800 and \$8400. There are two types. One type is - Fortune, I said Grand Bank, I meant Fortune - \$7800 and \$8400, that is for the house itself. Now what happened in those ten houses, this is interesting, is the fact that the people who brought them moved into them and proceeded at once to complete them. Is that interesting? They did not take a year, two or three to complete the houses, they bought them at these prices, moved into them and at once completed the houses. Now they are building more. They are going to build another ten there this year.

It will interest the committee to know that in Grand Bank, the other big town nearby there, they have been providing lots, building lots now, admittedly along the route of the main line. In other words, if you have

MR. SMALLWOOD: a main line or branch lines running down through streets, on those streets where the water is running down through the middle of the street somewhere, they have been providing building lots in Grand Bank at \$800 to \$900 a lot. A building lot in St. John's cost what? \$5000?

AN HON. MEMBER: Inaudible.

MR. SMALLWOOD: \$3000? \$4000, \$5000 and more.

MR. CROSBIE: There is nothing under \$5000.

MR. SMALLWOOD: There is nothing under \$5000 today, which is why I call it gold dust. Not land at all, it has got to be gold dust, \$5000 for a building lot; in Grand Bank the town council has been providing them for \$800 to \$900 per building lot.

MR. JONES: Serviced lots?

MR. SMALLWOOD: Oh, this is serviced building lots, of course, but serviced on the streets where the water and sewerage are already in. This does not include the original installation of water and sewerage in the town. That is there and being there they can provide serviced lots, along the line of the service, for \$800 and \$900. That is land and all.

AN HON. MEMBER: I think some of it was crown land.

MR. SMALLWOOD: Some of it was crown land. Where they did not have to buy it, they did not have to pay for it.

I want the committee please to notice that we are asking authority to spend \$670,000, the best part of three-quarters of a million dollars, this year, on land banking,

MR. SMALLWOOD: just for the Government to buy land for building on. We are spending \$600,000 on the thing, I mentioned earlier, for municipalities to service building lots, \$600,000 that is 300 building lots, \$2000 each. We are spending on 300 homes this year \$15,000, that is these loans for \$3,000, \$4,000, \$5,000, \$6,000 to individuals to buy the material to build their own homes. That is \$1.5 million this year. On subsidized rental housing this year, 176 starts, we are spending \$2,400,000, almost \$2.5 million. On shell housing this year, 300 of them, we are spending \$3.75 million and on co-operative housing, and the hon. the member for St. John's West mentioned co-operative housing: Well, let me tell him three things about co-operative housing, (1) This is the Province, of all the provinces of Canada, which cleared the way, which introduced legislation that was the first in the whole of Canada, of its kind, to be introduced, to allow for co-operative housing. I have not put that exactly right, it was the first legislation that any provinces passed, in fact it was such a pioneer effort, and my hon. friend the Attorney General was the one who wrote it. He is not here at the moment. It was so pioneer that other provinces copied our original Act on co-operative housing. Mr. Chairman, nearly 700 houses had been built, co-operative houses, that is the second fact. The third fact -

MR. CROSBIE: How many in the last couple of years though?

MR. SMALLWOOD: In the last couple of years, it is very quiet, not so many in the last couple of years. But, this year we got \$825,000, well over three-quarters of a million dollars that we are asking the committee to give us the authority to spend on co-operative housing. Now as I recall the thing originally, I do not know if it is still this way, as I recall it, it went like this: The Canadian Government, that is Central Mortgage and Housing Corporation, give a man the money to build a house, but they would not give him any money for that house, until the House was covered in. They had to have the roof on it. At that point the Central Mortgage

MR. SMALLWOOD: would step in and they would finance the house right to completion. But the problem arose, where did the man get the money to frame up the house and cover it in? Where did he get the money? Where did he get the money to buy the building lot? He had to do that. He would not get a nickel from Central Mortgage until the house was there, partly built, at least covered in, closed in. So we agreed to lend the money to the man to do that, and with the money that we would lend him he would do it and then Central Mortgage would finance the house, not just to finish it but from the beginning. The total cost, from scratch, would be financed by Central Mortgage and then the Newfoundland Government would get back the money it had staked the man to enable him to get the loan in the first place, or to get it in the second place.

AN HON. MEMBER: Inaudible.

MR. SMALLWOOD: Well the real equity that went into it was their own sweat because what happens is that twelve men get together and they form a housing co-op, a co-op society, twelve of them and preferably one or two of them are carpenters, one is an electrician, one is a plumber, and so on. Twelve men get together, they form a society and they build twelve houses, and all twelve of them work on each of the twelve houses. So every house is built by twelve men. So you get twelve houses. Their equity is their sweat. We lend them the money to get the piece of land. We lend them the money to build a house, closed in. Then Central Mortgage comes along and lends them the money for the whole thing, from scratch, and then the Newfoundland Government gets back the money that it grub staked them to. Now is that still the plan? It is still working that way, I am told. Why in God's name there are not more groups of twelve men getting together and building their home - they should be able to cut the cost very appreciably, should they not? They could not cut it in half, could they? Bulk buying of the lumber and their own labour that goes into it, the cash cost of the house, when it is finished, would be a percentage of the normal cost, the percentage of about sixty percent or seventy percent. They can save twenty or thirty percent on the cost of the house. Is that not worth doing? A man normally

MR. SMALLWOOD: gets one house in his lifetime. That is what a man normally gets, and some men never get it, some men get two or three. But normally a man gets one house in a whole lifetime. There is a case where you can save twenty to thirty percent on the cost of the house. It is a little sacrifice on holidays and summer nights, up until dark, even after dark, if there is an electric light around, nearby. Twelve men can build twelve houses, and it is sacrifice of one season, their leisure in one season, once it is over it is done, they have got the house. They do not have to do it every year. Why are not more men doing that? I do not understand it. We are glad to do it, we got \$825,000 that we are asking this committee to give us, so that we can pay it out for co-operative housing. This could get forty, fifty, sixty houses built. We would be happy to do it.

Well, Mr. Chairman, I do not know if they want to go on. I do not know if anybody wants to go on, or whether we are prepared now to vote the main one, so that tomorrow we can go on doing the items.

MR. EARLE: There are several over here who want to speak.

MR. SMALLWOOD: Are there more who want to speak? All right! okay!

MR. DAWE: Mr. Chairman, just before we close at eleven o'clock, there is one question that I will reply to, the hon. the member for St. John's West. I will be making a written report at the proper time and in the proper place to the people of Bay Roberts, regarding my activities, as councillor and as Mayor, for the past sixteen years, I will say, without any contradiction, that there is no council in Newfoundland every received, for the money spent, value work done. Where it started at Bay Roberts eight years ago, the policy and principle adopted by many of the councillors at this present time, that are doing, installing water and sewerage and other work, with their own forces, We did this all the years we were there, we saved hundreds of thousands of dollars. I would say today that

MR. DAWE:

we have approximately \$1 million worth of assets that we have in the town and never cost us more than \$500,000. I was personally responsible and initiated, without government assistance, without government policy, at least \$50,000 worth of gifts to the town, assets that I initiated - never received one cent. I have got a commitment on a further asset that I hope will be passed over to the town, valued at \$40,000 - I would not receive one cent.

On this controversy of the Western Union Property at Bay Roberts, last summer, which I wanted the town to have - and those individuals who bought that property since, that I could have gotten for the town for \$12,000, have realized since, \$50,000. That would have been \$40,000 that I would try to give to the town.

While I was mayor, we extended our boundaries on four occasions. Our population at the time was 1,800. Today our population is 4,500. We extended our boundaries at the people's request, under a secret ballot. It includes Shearstown, Bay Roberts East, Country Road and Coley's Point. I say, Mr. Chairman, you have local government today, from Upper Island Cove to Brigus, mainly because of the improvements we generated in Bay Roberts. It was just an example to them. They said: "let us get a local council so we can get the same."

I will give a written report of my position as a mayor, and the people of Bay Roberts or elsewhere will judge. I am confident, with the people's fair will and judgment, I will be judged fairly. I would say that if every other mayor or councillor in this Province can accomplish as much as in the time that I was mayor, we would have a very prosperous and developing community.

I do accept the responsibility that I had, as I was mayor. I cannot shirk from that responsibility of the last two years. I accept that. In the meantime, I did offer to resign on three or four occasions. I spoke to the council, collectively and singly, as a group, and they felt that they did not want to take it over and they persuaded me - but I felt that I did not have the time to devote to it.

I offered to resign on at least three or four occasions, not as a member of the council but my position as mayor. I asked one individual, who was a known supporter of the Conservative Party, to take over the position as mayor. So this is proof of my impartiality, as far as partisan politics is concerned. I asked him. I thought he was the most competent person to take over the responsibility because he was a former chairman of the community council. I asked him on three occasions; would he take over the position? He was too busy attending the University, to upgrade himself; and other people did not find the time to devote to it, in the last year or two while I was in office.

But I do accept the responsibility I have as to the position of the books, but I am satisfied, in my own mind and in my own way, that exactly every single cent - I say there is not one single cent - I cannot remember every cent - there was no one copper spent, of council funds, to support any political party or any political action. This was mentioned in the report; I would have knowledge of that. There was not one single cent. And I would say today, Mr. Chairman, I am satisfied that practically every single cent went - I say one single cent. The Commission have felt some concern of probably some amount that could not be correctly found or reported; but I am satisfied, in my mind, and the members of the council are satisfied and the working force is satisfied that practically ninety-nine or one hundred percent of every single cent of that money was spent within the town.

I will say; the time will come - and I will make a written report - it will be documented by figures and facts. The people will be the judge. They will judge me as they wish. I mean, I said I accept the responsibility of the record of the last two years and I have made the sacrifice in that regard.

But I say, Mr. Chairman, my conscience is clear. There is no other person, bar none - I do not mean to boast when I say this - there have been other people who have worked just as hard as this; there

is no other person who has worked as hard for his community as I have while I was there. Let that be a challenge to anyone. The record speaks for itself. I am prepared to let the record stand, and I will make it known in due course.

This is all I am going to say in this regard, Mr. Chairman, and time and events will prove my position and the position of the way the people of Bay Roberts feel on my term of office.

On motion, that the Committee rise and report having passed estimates of expenditure under the following heads - Highways, XVll, all items, made progress and asks leave to sit again, Mr. Speaker returned to the Chair:

On motion report received and adopted.

On motion the House at its rising adjourned until tomorrow, Wednesday, at 11:00 A.M.