



Proceedings  
of the  
House of Assembly

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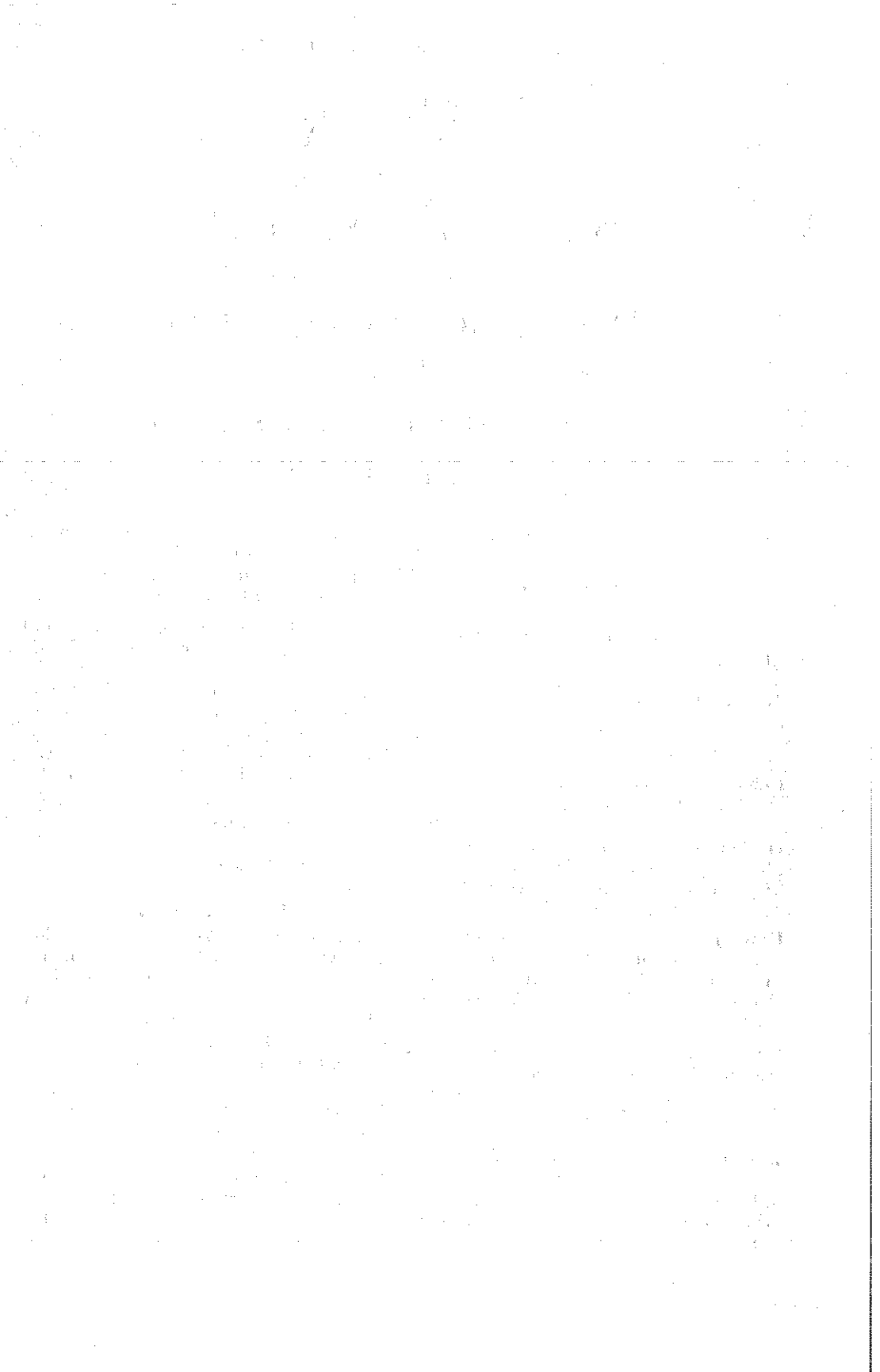
During the Second Session  
of the  
Thirty-First General Assembly  
of Newfoundland

1958

Speaker: Hon. J. R. Courage

Volume II





# Proceedings of the House of Assembly

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## During the Second Session of the Thirty-First General Assembly of Newfoundland

Thursday, February 13th, 1958

(Afternoon Session)

The House met at three of the clock in the afternoon, pursuant to adjournment.

### Presenting Petitions:

None.

### Giving Notice of Motions:

**Hon. L. R. Curtis:** (Attorney General): Mr. Speaker, I give notice I will on tomorrow ask leave to introduce a Bill, "An Act Further to Amend the District Courts Act." I further give notice I will on tomorrow ask leave to introduce a Bill, "An Act Further to Amend the Judicature Act."

**Hon. J. T. Cheeseman:** (Minister of Fisheries): Mr. Speaker, I give notice I will on tomorrow ask leave to introduce a Bill, "An Act to Amend the Fishery Salt (Sale and Distribution) Act, 1957."

**Mr. Curtis:** On behalf of the Honourable Minister of Finance I give notice I will on tomorrow ask leave to introduce a Bill, An Act to Amend the Loan and Guarantee Act, 1957."

I further give notice I will (on behalf of the Minister of Finance) on tomorrow ask leave to Move the House into Committee of the Whole to Consider Certain Resolutions with Reference to the Gasoline Tax Act."

I further give notice I will on tomorrow, on behalf of the Minister of Finance ask leave to introduce a Bill, "An Act to Amend the Local Authority Guarantee Act, 1957."

**Hon. W. J. Keough:** (Minister of Mines and Resources): Mr. Speaker, I give notice I will on tomorrow ask leave to introduce a Bill, "An Act Further to Amend the Undeveloped Mineral Areas Act."

I further give notice I will on tomorrow ask leave to introduce a Bill, "An Act To Amend the Unimproved Lands (Redistribution) Act 1957."

### Giving Notice of Questions:

None.

### Answers to Questions:

None.

### ORDERS OF THE DAY:

**Mr. U. Strickland:** (Bonavista South): Mr. Speaker, in rising to speak on the motion that a Committee be appointed to draft an Address in Reply to the Speech from the Throne I had to keep one thing in mind; that honourable members of this House have listened to twenty-four or twenty-five previous speakers.

**Mr. Speaker:** If the honourable member will forgive — the motion is now "That the report be received."

**Mr. Strickland:** Some of the members were rather long-winded, some on this side and some on the other side. Nevertheless, they were all good speeches. But I have no desire

this afternoon, Sir, to test the patience of the honourable members in taking up the time that is allotted to me by repetitious phrases that have been worn out year after year, tossed higher and yon on the floors of this House, when members have spoken on a similar motion. I would join with all the previous speakers, however, and endorse all that has been said about our present Lieutenant-Governor and his wonderful predecessor. Let me sum up what I have to say in two or three words—Both of them, as far as I am concerned, are wonderful men, men of the highest calibre, true Newfoundlanders, and we wish them well.

Last year, as I recall, Mr. Speaker, when I stood up to make my maiden speech in this House, I just looked across the floor of the House and in the seat, sitting next to the Honourable Leader of the Opposition, I saw a very experienced politician. The honourable gentleman put his eyes right on me and I was a little bit unnerved for a moment or two. Today it is a little different, looking across and seeing the smiling faces—It makes all the difference in the place—But, Mr. Speaker, as a replacement for the honourable gentleman who is undoubtedly with us in spirit today, we have the honourable member for St. John's South. I must join with my colleagues and his colleagues and say we believe the honourable gentleman has already given notice to this House that he intends to add great strength to the Opposition in this House. Every one of us, I know, in a private capacity or in one way or another, extend greetings and welcome to the honourable member, and we certainly wish him well.

I think all of us on this side of the House, Mr. Speaker, are a little bit proud this year, and possibly have more to say than for a good many years, for the simple reason that two of the youngest members of the House expressed themselves so well (and I am referring to the honourable member for Labrador North and the honourable member for Burin). They are a credit to themselves. They are a credit to their forebears. They are a credit to their immediate families.

They are a credit to the district they have the honour to represent in this House, and more than that, last but not least, they are a credit to this honourable House itself. for

the splendid job that they did in moving and seconding the motion.

**Hon. M.M. Hollett:** (Leader of the Opposition): That is a lot of credit.

**Mr. Strickland:** A read credit, Mr. Speaker, I did take notice that our honourable friends on the opposite side of the House bent over backwards this year, for some reason or another, (I do not know why,) to compliment the Government for some of their policies and programs, I suggest, Mr. Speaker, that as far as I am concerned, it did more to make me feel that the honourable gentlemen are interested in honest Government in this House, than months or even years of worthless criticism could ever do. When honourable members set aside party policies to such an extent they are prepared to give credit where credit is due, even though that credit belongs to the Government that they oppose, then I suggest, Mr. Speaker, that such attitude could possibly be the much needed shot in the arm that is required to help some of our intelligent young men and women to decide that, for them, politics will be their future vocation. I must say too many of us in the past have felt that politics have been too rotten to have anything to do with. I suggest, Mr. Speaker, that this attitude that some of the honourable gentlemen have taken in this House this year, if carried on, will do a lot to clean up that impression. I trust, Sir, that it is just a foretaste of better things to come.

**Premier Smallwood:** Here. Here.

**Mr. Strickland:** I may be the last speaker on this motion. That is up to my honourable leader to decide. That has advantages as well as disadvantages. It has the advantage in that I have heard what the honourable members of the Opposition had to say, as well as my colleagues on this side. But it also has this great disadvantage, that all the good things that could have been said have possibly been said already.

I am not going to say very much about the Speech from the Throne. Men who are more intelligent than I am or could ever hope to be, possibly have already gone into every aspect of that speech, even in minute detail. I am content, however, that it is going to mean a wonderful thing for Newfound-

land and possibly before I finish this I will tell you why. It is only natural, Mr. Speaker, that honourable members, when given an opportunity to shout their faces off, obviously would refer to their districts, what has been done and what they hope to do and all such things. I am not going to devote too much time to the district of Bonavista South, which I have the honour, (and I am proud of it,) to represent in this honourable House. I recall, Sir, last year when I stood up for the first time as the representative of that district I painted a very sordid picture, and even my honourable colleague friend the honourable member for St. John's East lead me to make a little bit worse than what it was. But I am satisfied, Mr. Speaker, that great things have been accomplished during the past year. Now, it is true I have not gone out for newspapers nor radio publicly nor television publicity. I do not want that stuff. I do not want my right hand to know what my left hand is doing at certain times, but I do want to do a good job, and that is my dedication. If I cannot do a good job for my district, I won't be in politics very long.

Already, during the past year — (and they tell us there has been no money. The Government is broke and all these things) — already, during the past year, there have been some new roads built in the district of Bonavista South. I made one or two election promises. I do not mind confessing that. I met the people of Port Blandford and told them if I were elected I would get a causeway and more than the causeway. "It won't be very long before I see your needs met."

The causeway has been built. I was up there trying to get across two weeks before it was opened and after it was opened. I assure you I did visit the people in that area. I shall never forget what one old fellow said — "Captain Strickland, you are one honest politician. You made a promise and fulfilled it. Go back to St. John's. We will send for you when we want you. The people of Terra Nova, you will recall, presented a petition last year to the House asking that a road be built to enable the people of Terra Nova to get out and see the outside world. I am glad to be able to tell this Honourable House that already six of the eight miles have already been built, and they have a few dollars left yet for the other two miles. The other two miles have been bulldozed

through, and shortly we hope will be completed. That is election promise No. 2 fulfilled.

The first time I travelled around Musgravetown I discovered that the good people of Musgravetown; Canning's Cove; and Bunyan's Cove, every time they wanted to come to St. John's, had to come up around the "river head" and drive down across the bridge and up the Cabot Highway, and I discovered that by providing one mile of road at the head of Musgravetown, you could save an eight or ten mile drive around. I am happy, Mr. Speaker, to say that mile of road is already bulldozed through — Now I do not want my honourable colleagues on this side of the House to get jealous.

**Some honourable member:** There is no jealousy.

**Mr. Strickland:** That is good. The people of Salvage had quite a problem on their hands. There is a place called "Round Head" and believe me it is Round Head. It was a very dangerous section of the road, and at certain times of the year it was utterly impossible to travel over it, I was unable to persuade the Government this year that this road should be done. It has already been done. In Happy Adventure they had a situation where merchants in the Upper Cove were trying to compete with merchants in the Lower Cove. The merchants from the Lower Cove could drive a truck right to their stores and discharge goods and the poor beggars up in Upper Cove had to "spell it" up on their backs. I was not happy about the situation. I want to say that has been remedied and the man in Upper Cove now has the same privilege as the man in Lower Cove. That is another thing done. Now, for my honourable friends in formation on the other side of the House, I would like for them to take a trip to Bonavista now. They gave me a gentle ribbing, if I recall, last year about the Plate Cove Hills. I want to tell you, Mr. Speaker, if ever you saw a transformation-right around Plate Cove, Plate Cove Hills have been transformed, and there is no other name for it.

**Mr. Hollett:** What place is that?

**Mr. Strickland:** Plate Cove Hills. It is almost

unbelievable the work that three or four or a half dozen men could do with a few pieces of machinery in such a little rocky area as the Plate Cove Hills. I am very happy about it. And we are going to take, I am sure, Mr. Speaker, Summerville Hills this year and see if we can't flatten them down as well. These are only a few of the things done in one short year in the district of Bonavista South. The Community Council of Sandy Cove received Government assistance this year in order that they might pipe a water supply from the hills right down where it can be easily obtained. That has been done. Now, I made another election promise. I promised the people of King's Cove that, if elected, I would see, if it were possible, that they would have electricity extended to King's Cove. It took a little longer than anticipated but, Mr. Speaker, I want to assure the House they have the lights down there now. Talk about correspondence. I am receiving twenty, thirty, forty letters a week. And I made a point, Mr. Speaker, (and I want to get this across,) to answer every letter I get. I bang away at the typewriter until two o'clock in the morning in order to answer every letter I get from my constituents. There is nothing too small and nothing too big. I make that point, and while I am in politics I am going to keep it up. When I cannot do that I won't represent a district. The people of the Plate Cove area, Openhall, Red Cliff, are writing daily praying that electricity be extended to that area. I am hoping to impress upon my leader that it is absolutely necessary that, in the very near future, it will become a reality. We are hoping that a regional hospital will be built in the area before too long. When the time is opportune it will come, I believe. I will say that in the District of Bonavista South we have one of the richest farming areas in the whole of Newfoundland, around Musgravetown and Lethbridge. All these things have been done in one short year. The whole area has been transformed. I took a newspaper up the other day and one man had the audacity to say, Strickland has done nothing for Bonavista South. I would like to meet him again on a political platform, and I hope I will.

**Premier Smallwood:** You probably will.

**Mr. Strickland:** The people of Keels were

using water hardly fit to drink for a number of years. We have that situation improved considerably. It is not perfect, by any means, but we think we know the answer and we are hoping this year to continue the improvement. The "pothead" whale operation in Southern Bay has been of great economic benefit to the people in the vicinity. In fact it has two benefits, the money the people earn while engaged in the operation plus the fact they are getting stamps on their books and this winter will reap the benefit of that in unemployment insurance. I only hope and pray we can extend that operation to the fullest extent possible, and I think we will. Now, Mr. Speaker, all the problems have not been solved — My, oh my, how many there are.

**Mr. M.M. Hollett:** (Leader of the Opposition): They want a wharf in Southern Bay.

**Mr. Strickland:** And they will get it when we get a Liberal Government in Ottawa.

**Mr. Hollett:** You had one there a long while.

**Premier Smallwood:** And also built a good many wharves.

**Mr. Strickland:** In Bonavista South too, Mr. Speaker.

**Mr. Hollett:** I am sorry, it was the wrong name — Across from Southern Bay, Charleston. Have they a wharf there? I ask as a point of order.

**Mr. Strickland:** Not a Federal Government wharf — No.

**Mr. Hollett:** Thank you.

**Mr. Strickland:** Mr. Speaker, I am coming to the fisheries. I think I have the honour to represent one of the largest fishing settlements in the whole of Newfoundland. I will not say the largest, but very close as a runner up. And there are some problems attached to the fishery in Bonavista. Some of the problems the people have to solve for themselves. One of the problems associated with the fisheries in Bonavista is that we have three unions in the town of Bonavista, if you

call it town, and all have a direct bearing on the fishery operation of that community. I suggest, Mr. Speaker, that is not in the best interest of anybody. It is not for me to say which union they will have there. I only hope and pray the time will come speedily when they make up their minds and get one union, because if there is anything in the world going to destroy unionism is unionism itself. Now, Mr. Speaker, in connection with the fishery — My honourable colleague, the Minister of Fisheries, sitting right behind me, has forgotten possibly more than ever I knew about the fishery. The honourable member for White Bay North knows something about it too. But I was a little bit surprised at the honourable member suggesting here on the floor of the House the other day when speaking about NAFEL. — (Now I have no brief for NAFEL in the world, but the suggestion has been made, and I cannot agree with it) — that NAFEL should be abolished and a marketing board set up comprised of possibly some of the present members of NAFEL plus —

**Mr. Cheeseman:** Who said that?

**Mr. Strickland:** — Plus some of the members of NAFEL, of the Provincial Government, of the fisheries. That is perfectly alright, I agree. Plus some of the representation for the Fishermen's Union. That is alright, I agree with that. But that is as far as I will go. The suggestion that representatives from the mainland trade be incorporated in a Committee, if you wish to call it that, for the exporting of Newfoundland codfish, I cannot see at all because even though we are supposed to be Canada, let me tell this Honourable House that the people who are interested in the fisheries in Nova Scotia and elsewhere are Nova Scotians first and Newfoundlanders second—And don't ever forget it. If you do forget it, you will make a tragic mistake.

**Mr. Cheeseman:** Mr. Speaker, I wonder would the honourable member concede to me for a moment. If he is coupling my name with these suggestions I want to make it clear I made no such suggestions.

**Mr. Strickland:** No, not you, Sir.

**Mr. Speaker:** Perhaps the honourable member would clear up that point.

**Mr. Strickland:** Mr. Speaker, I did not accuse the honourable minister. I said; "the suggestion has been made." I did not say it was by members of this House or anybody else. But I trust everybody reads the newspapers. I agree that it is absolutely necessary to have some kind of marketing board for our Newfoundland salt codfish and as well our fresh fish. But for goodness sake, do not let us forget the fact that we should put Newfoundland first.

Inspection is another headache. And let me say, Mr. Speaker, Newfoundlanders are not always all to blame for the bad fish going to our markets. The fishermen are not always to blame. I have seen good fish going in and being beaten to a pulp in the packing process. The fishermen are not to blame for that. I have seen men heading up casks, and they take a fish and rip off the fin and tail and everything else. Then, when the cask reaches its destination in a foreign market and they lift the cover, they get one fish broken up into fifteen and twenty pieces. The fishermen are not to blame for that. If good fish is made let us keep it good, and when it is packed, let it be packed right.

You will recall, Mr. Speaker, that a couple of years ago I happened to be in Sydney on a little mission for the Government. While there, I called at a certain merchant's warehouse. He had bought forty barrels of Newfoundland turbot, marked No. 1. turbot. Now this is the story. The turbot was caught in August. It was inspected by certain Federal inspectors in November. It was sold on December. I suggest, Mr. Speaker that no turbot in the cold weather will go bad, from November to December. It reached Sydney in early January and fifty percent of the turbot was not fit for human consumption. I took my pocket knife and ripped down to the bone of a dozen, and the odor was enough to make you step backward. It was not a month before that it was certified by the Newfoundland inspector, and I know the man — then the other fifty percent was sub-standard. I will take my oath — (and I have caught a lot of turbot in my day, with my father) — I will take my oath that that did more to hurt the Newfoundland turbot market than anything I can say in this House can do — Federal inspection — It is time for those in authority



to wake up. The Fishermen are getting the blame for far too many things.

That is the kind of thing we have to contend with in our fisheries, and that is the reason why our fishermen are getting such small returns for the work they do — things like that. I did write the man who shipped the turbot from Newfoundland a very strong letter, and I suggested he hold the turbot right when they were, and I asked the department here to send up another inspector and let him see what this brother inspector had done. My suggestion was not carried out. The fish has never been sold to this day. It was all dumped, and somebody was the loser of several hundred dollars on it. I think it is time for the country to know of these things. Now, Mr. Speaker, I am not going to say anything else about the fishery. It is a problem somebody will have to solve if we want young men to go to the fishery. The quicker we solve it the better for all concerned.

There is another problem in my district, i.e., the problem that has been created by the National Park. Nobody is to blame. I have some constituents in Charleston and Cannings Cove, possibly a dozen or more saw-mill operators. One man wrote to me the other day, "I value what I have there in saws and what have-you, at thirty-five thousand dollars." He told me how many years it took to build it up. Now, because of the establishment of the National Park, no logs nor wood is to be cut, and he is now without a job. I know the Provincial Government are aware of this as are the Federal government. I do not care what Government is in Ottawa, they are all aware — and I think that in the near future something will be done.

Mr. Speaker, I think that is enough concerning my district. There are plenty of other things I could say, but I am satisfied that we made great strides during the year, and I want to thank the honourable ministers and their deputy ministers and assistant deputy ministers and all others connected with every department, for the courtesy shown during the year and all they helped me to accomplish, because without their assistance nothing could be done, or very little — and that goes for everybody from the Honourable the Premier down. It has been a great year.

Now, Mr. Speaker, I have to defend this Government's policy and programs. It is only natural that I should do so, and I am going to be conscientious about it. We have been told time and time again, almost without number, that this Government inherited from former Governments so many millions of dollars, which is true — That thing is played up. But I wonder what else did we have coupled with the millions of dollars? I suggest, Mr. Speaker, we had illiteracy and poverty of Newfoundlanders almost beyond description. That was thrown into the bag with the millions of dollars. We do not hear very much about that. And that is what this present Government had to do, cure a lot of the illnesses and sicknesses passed over to us as a legacy of former Governments. That is the reason why a lot of the millions of dollars have gone into new schools and new hospitals and welfare programs, and a lot of other progressive programs.

We have been told often that this Government is unfit to rule because there was extravagance. I would like to compare that statement with another Government that I know of, and I am not politicking now for anybody whatever. The people of Canada will decide on March 31, and whatever it is alright with me. I will say "Amen" to it any time. But I know another Government that came into power with a surplus of five hundred million dollars not too long ago, and I suggest if they brought down a budget today they would budget for a deficit of five hundred millions; and my argument would be just as sound as the argument of the people who criticized this Government, if I suggested that because of their expenditure they are unfit to govern. I am not going to take that argument. I am only making the comparison. They spent the money. Somebody has benefited because they spent the money. And that is what I suggest about this Liberal government. They spent a lot of money, Sir. They had the legacy they inherited from the former Government plus other millions of dollars. Who got the benefit of it?

**Mr. Hollett:** Who?

**Mr. Strickland:** Newfoundlanders, the big bulk of it—and I challenge any man to con-

vince me otherwise. Mr. Speaker, this Government has been criticized for its lack of vision. I suggest that any honourable gentleman, or any man or woman who criticizes this Government for lack of vision, should go and get their eye glasses changed quickly. I will tell you why. I believe with all my heart that this Liberal Government is conscious of one tremendous fact, and it is a fact that a lot of people overlook—good health for our people, good homes for our people, good environment for our people—all must be woven together in order that we might have the real basis for real living. That is the reason why this Provincial Government or Liberal Government has had such a tremendous welfare program, health program, educational program all woven together. The Government has been trying to prepare the Newfoundland people for something they have been deprived of for possibly hundreds of years, and that is "real living." Mr. Speaker, what constitutes real living? Somebody would say it is just having a good academic education. I don't agree with that. As far as I am concerned, it is not the whole truth but only part of the truth. What is a good education?

I know a lot of people who have a good academic education but are as unfit for real living as I am to rule China. Education can never be judged entirely by academic standards. Education is only one of the elements that constitute real living; and I suggest that if education is divorced from basic moral and spiritual principles, and not based on them, education falls far short of many of the requirements for real life and real living. Education on a primary and university level only do so much. Complete education is far more than that. It is a job for the schools, the Sunday Schools, the Church and the home. I was very much thrilled a few Sundays ago looking at a television show, when one of our great native Newfoundlanders who knows what he is talking about as far as education is concerned was asked by Don Jamieson "Where does education for the real man begin?" He answered without any hesitation: "Right in his mother's arms." And I agree with him. And I suggest, Mr. Speaker, that this present Government knows that. That is the reason why they do not spend all their money on new schools alone. That is not enough.

They know something different than that is required. The Honourable Minister of Health just a few days ago stood on the floors of this House and made a statement. I very much doubt that any of us realized the significance of what he said. It was one of the greatest statements, as far as I am concerned, which have been made in a long time. Here are some of the things he said:

"For children under sixteen years of age free hospital treatment"—It does not make any difference whether that child is a hundred miles from here or right in St. John's or elsewhere—For children under sixteen years of age free hospital treatment, all diagnostic tests free and x-ray, tests, all medicines and dressings in hospital free. We were paying through the nose in years gone by for a lot of these things. Now we have diagnosis and x-ray for all outpatients, and all medical bills in hospital. Mr. Speaker, I tell you this is going over big in Newfoundland. I suggest a lot of the mothers of this country appreciate that, and thank God for the Liberal Government for bringing this into being. That is only one of the things that the Government has done. That is one of the things that some of the millions of dollars have gone into.

The Honourable Minister of Municipal Affairs and Supply, sometime ago, stood on the floor of this House and told us about a building scheme that the Government has in mind for the building of low cost rental houses. Why? Why? Because the Government has vision enough to see that no matter how good a person's education is he cannot be all he should be unless he has a decent home to live in. And I suggest, Mr. Speaker, living conditions in this Province prior to Confederation defied description, and this Liberal Government has been conscious of this. They might have wasted some money—undoubtedly they have, and they will waste more, and I suggest if you get any other Government in on the floor of this House, or anywhere else, they will waste it too—Lack of vision—I suggest, Mr. Speaker, that this Government has had more vision than all of the Governments of the past fifty years, and that is the reason why we have Term 29. If the Governments of past years had as much vision as this Government, there would have been no need for Term 29 because this Province

would not be fifty years behind the other Maritime Provinces. The Governments of the past had been so blind they had not been able to see straight, and that is the conditions this Government inherited and that is the reason why they had to spend millions; and all credit to them.

Mr. Speaker, I am going to quote a statement written by a converted Tory not very long ago. He said: "The Premier does not have to establish a third mill to become one of the great men of this Island. He won that when we went into Confederation with the rest of the Provinces of Canada." But if he achieves this long-wished-for advance in our economy he will have achieved the highest honour that can be bestowed upon him. I suggest, Mr. Speaker, the honourable gentleman on the opposite side of the House should say "Amen" to that, because they know it is true.

**Mr. Hollett:** Who is the author of that?

**Mr. Strickland:** Again I suggest the Honourable Leader of the Opposition would read this newspaper—That is where I took it from.

**Mr. Hollett:** I will read it tomorrow, would love to read it.

**Mr. Strickland:** Now, Mr. Speaker, before closing these few remarks, rambling though they might be, I would like to say a word about the proposed harbour improvement for St. John's. Now get this straight, and I want honourable members to get this straight—I am not against harbour improvement. It is long overdue; but I am a little bit worried. I took time out some time ago to go down to the Board of Trade building and I must say I was received with all the courtesy that could be possibly extended to me, and Mr. Renouf bent over backwards to show me whatever he had there concerning the proposed improvements. Unfortunately, that day the large scale plan was at the Memorial University and I did not see it. Sometime after that I took my honourable colleague, the member for Labrador South, with me and we went down again. We were then fortunate enough to see the large scale plan there. And I discovered that; and this has worried me a little bit—We have today

in Newfoundland eighty or ninety coasting vessels and sometimes there are twenty-five in the Harbour of St. John's at one time, averaging about one hundred feet. I discovered that right up in the west end there is one section cut out approximately five hundred feet long where you can tie up five coasters at one time if they are a hundred feet or less. There is another section approximately four hundred feet with a tie up possible for four. That is nine. What if we have nineteen in the harbour at the same time? Where are we to put the rest?

I suggest, Mr. Speaker, that the powers that be, before they put this plan into reality have a good hard look at it again, because our coasting skippers and owners can't afford to lose two, three, four and five days in the Harbour of St. John's waiting to get a place to tie up to load goods. Most of them lose time enough in Sydney. That is all I have to say about it.

Mr. Speaker, I am happy to have had this opportunity of saying a few words. I endorse what the Government is doing, and I am hoping, if God spares us, to be back another year and to have far greater things to report. Thank you. (Applause from both sides).

On motion, the report of the Committee set up to draft an Address in Reply received and adopted.

Honourable the Minister of Health asks leave to introduce a Bill, "An Act Further to Amend the Health and Public Welfare Act."

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

Honourable the Minister of Municipal Affairs and Supply ask leave to introduce a Bill, "An Act To Amend the Department of Municipal Affairs and Supply Act."

On motion, Bill read a first time, ordered read a second time on tomorrow: Honourable the Minister of Public Works asks leave to introduce a Bill, "An Act to Amend the Department of Public Works Act, 1957." On motion, Bill read a first time, ordered read a second time on tomorrow.

Honourable the Minister of Finance asks leave to introduce a Bill "An Act Further to Amend the Civil Service Act". On motion, Bill read a first time, ordered read a second time on tomorrow.

On motion that the House go into Committee of the Whole on Bills, Nos. 21, 18, 19, 24

and 26 and 27: Mr. Speaker left the Chair.

**Mr. Clarke, Chairman of the Committee of the Whole:**

Committee of the Whole on Bill, "An Act To Incorporate the City of Corner Brook and For Other Purposes in Connection Therewith:

**Mr. Chairman:** Clause No. (49).

**Hon. L. R. Curtis (Attorney General):** Mr. Chairman, I would move the clause as is. I did have in mind suggesting an amendment but I read it over and don't think it is necessary.

On motion, Clause (49) Carried.

Motion that the Committee report having this Bill with some amendments carried.

Committee of the Whole on Bill, "An Act Further to Amend the Act 5 Edward VII Chap. 19 entitled "An Act To Encourage the Manufacture of Pulp and Paper in this Colony."

On motion, Clauses (1) through (3) carried.

**Hon. W. J. Keough (Minister of Mines and Resources):** Mr. Chairman, in Clause (4) (b) I am going to ask the Honourable the Attorney General to move an addition to subsection (b) after the word "elsewhere" in that subsection to add the words "in Canada." I am asking that at the suggestion of the Auditor General, to make it uniform with those in common practice across Canada.

On motion, Clause (4) as amended Carried.

**Mr. Hollett:** Under Clause (4) is that usual that the Government must approve the auditors of any firm of accountants.

**Mr. Curtis:** Well it is because, Mr. Chairman, we also agree to accept their audit. So that if the Government is bound on one hand to accept the audit of the auditors, at least they might have the privilege of approving the auditors. One goes with the other. If we had the right to refuse the audit, we would not care who did it. But when we pledge ourselves as we do, then we want to know whose services we are to accept.

**Mr. Keough:** I might add too, that I have a

copy of an agreement entered into in July 1934 between the Commissioner of Natural Resources and the company whereby the company agreed that its accounts be audited annually by a firm of auditors approved by the Commission of Government, and the Commission of Government agrees they would accept the certificate by these auditors. That was in 1934. We insert, of course, that the audit now be subject to the approval of the Auditor General of Newfoundland.

**Mr. Hollett:** I just made the remark. I thought auditors were more or less bonded in any case.

**Mr. Curtis:** Not necessarily.

**Mr. Hollett:** I thought they were.

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

Committee of the Whole on Bill, "An Act to Amend the Local Government Act, 1956." On motion clauses 1 through 13 carried.

**Mr. G. R. Renouf (St. John's South):** Mr. Chairman, there is an explanation I would like on that subsection (2) "Where a person lets or sub-lets to another person the whole or any part of a house or other building, for the purpose of this section, to be carrying on a business and is liable for the payment of the business tax in respect of the letting and sub-letting." I was wondering if there might be a danger of double taxation. There are residents who take in a boarder, who will come under the business tax—in the assessment of a municipality this is going to create some confusion.

**Hon. B. J. Abbott (Minister of Supply):** Mr. Chairman, that is what the amendment is, to make clear that persons renting houses or renting buildings will have to pay business tax.

**Mr. Renouf:** Apart from the system whereby it is based on increased assessment it becomes, under this, a business tax?

**Mr. Abbott:** That is right.

On motion, Clauses (14) through (24) carried:

Motion, that the Committee report having

passed this Bill without amendment, carried.

Committee of the Whole on Bill, "an Act to Amend the Department of Highways Act." On motion, clause (1) carried.

**Mr. J. G. Higgins** (St. John's East): Mr. Chairman, this Clause (2)—Section 52 of the Highways Department Act—or the proposed section 52—provides that on any premises where business is carried on a plain lettered sign showing the name, business descriptions and business of the owner or occupier of the premises may be erected, or kept up, and where a gasoline station is operated on a premises, the sign may in addition show any other words, letters or symbols, but the erection or keeping up of a sign, the type and size of the sign, the lettering thereof and the additions thereto of any words, letters or symbols shall be subject to the prior approval in writing of the minister. What I am concerned about, Sir, is that it is a matter of which we have knowledge—on all these establishments, particularly restaurants and taverns, you have neon signs. There is a local Neon Sign Company employing some ten Newfoundlanders. It is the only one in the country doing this Neon Sign business. I have been talking to a couple of people working there and they visualize that if this is going to mean no neon signs are to be allowed, they are going to be forced out of business. It goes on to say the "Minister" can approve a sign. But does that mean we are not to have any more neon signs or only put up neon signs with the permission of the Minister?

**Mr. Curtis:** Mr. Chairman, I don't know whether a plain letter sign includes a neon sign or not. A plain letter sign showing the name, business description, and business of the owner or occupier of the premises. I do not see why it should not include neon signs. I would not say it includes neon signs. Certainly a neon letter sign.

**Mr. Higgins:** It is common all over.

**Mr. Curtis:** I will tell you what we might do, Mr. Chairman, we might pass this committee stage but hold it up at third reading until the Minister of Highways is here and we find out just what he meant in asking for this. I really do not know.

**Mr. Hollett:** Mr. Chairman, what does the Government see wrong with putting up signs for advertising—It is done all across Canada.

**Mr. Curtis:** That is the reason why it should not be done.

**Mr. Hollett:** Are you not doing something to restrain trade—Why prevent people from advertising?

**Mr. Curtis:** I think we should hold up the third reading and see just what the Minister has in mind.

**Dr. J. M. McGrath** (Minister of Health): Might I remind the Committee of the poem—

"I think that I shall never see  
A poem lovely as a tree,  
Perhaps, unless the billboards fall,  
I will never see a tree at all."

**Mr. Hollett:** There are not many trees along the highways.

**Mr. Curtis:** There is a difference of opinion. A lot of people think these signs a nuisance. They certainly spoil the scenes, and it seems to me—

**Mr. Higgins:** What signs are you talking about now?

**Mr. Hollett:** There is one out there, just on the highway, right by the roadside—"Death on the Highroads."

**Mr. Curtis:** My honourable friend might have a word. He was travelling with the Governor General when here.

**Mr. Abbott:** Yes, Mr. Chairman, I happened to be driving with the present Governor General, the Honourable Vincent Massey. He drew my attention to some signs not very far from the highroad "Chew Wrigley's Spearmint."

**Mr. Curtis:** You must not quote the product here.

**Mr. Abbott:** And he said: "there is nothing I detest more than to see such advertisements

on the highways." Now not some notice saying you will find an eating establishment five miles beyond this point or a motel. That is a different matter. But where people are advertising their products, their wares—"No"—

**Mr. Curtis:** It does not spoil the scenery.

**Mr. Higgins:** But think of the weary traveller who sees in the sky—"India two miles ahead or Drink Dominion."

**Mr. Curtis:** That is what we want to stop.

**Mr. Hollett:** I think it is very unwise, Mr. Chairman. But you have done many unwise things, this Government, in spite of the honourable member for Bonavista South. On motion, Clause (2) Carried.

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

Committee of the Whole on Bill, "An Act Further to Amend the Highways Traffic Act."

On motion, clause (1) carried;

**Mr. Hollett:** (e) "To indicate maximum of minimum speed limits in any area or on any part of any highway so that vehicles driven faster than the maximum or slower than the minimum speed limit indicated shall be taken to have failed to conform to the indication given by the sign."

"...shall be taken to have failed to conform to the indication given by the sign"—I can well see where the driver of a motor vehicle may not be able to reach the speed indicated due to a motor defect or something wrong. He is then liable to a fine.

**Mr. Curtis:** That would be a defence: If a man had a flat tire or one of his cylinders gave out—Would not that be a defence? I don't think there is any need to provide for that. I don't think it is mandatory for a magistrate to convict, Mr. Chairman, every offence does not necessarily mean subsequent prosecution. Lots of us every day unwittingly break a law—So that could be a good defence. If a car is trying to get home, for instance, after having some engine trouble, or even if perhaps getting home with a poor tire and just cannot speed. These are all matters of defence.

On motion, Clauses (2) through (4) carried.

**Mr. Curtis:** There is an amendment to clause (5), Mr. Chairman, which I wish to ask the Honourable the Minister of Welfare to move: Subsection 62A—Insert the words "subject to this section" before the word "except."

There is also another amendment, Mr. Chairman, which I would ask the Honourable Minister of Welfare to move, and that is a new section. (9)—You will remember that when this Bill was being given second reading I suggest that was a bit awkward. Any of us might go out on the highroad any day and park on a piece of property, unfenced, and we might have supper there and find ourselves liable to a twenty-five dollar fine. So I have asked the draftsmen of my department to rewrite or to add a subparagraph (9) which reads as follows: "This section does not apply to land outside the City of St. John's, as defined in the City of St. John's Act, unless the land is surrounded by a fence or unless the owner by signs erected on the land or otherwise indicates that the land is private or that parking thereon is prohibited or restricted." Mr. Chairman, I think that cures the point that was raised at second reading.

On motion, clause (5) as amended carried; Mr. Speaker, resumed the Chair.

**Mr. Clarke:** Mr. Speaker, the Committee of the Whole have considered the matters to them referred and directed me to report Bills Nos. 21, 18, and 27 with some amendments.

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

**Mr. Clarke:** Mr. Speaker, the Committee of the Whole have considered Bills Nos. 24, and 26 directed me to report same without amendment.

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

Third Reading of Bill, "An Act Further to Amend the Revenue and Audit Act."

On motion, Bill read a third time, ordered passed and title to be as on the Order Paper. Third Reading of Bill, "An Act Respecting the Payment of Bounties on the Rebuilding and Repairing of Fishing and Coasting Vessels."

**Mr. Curtis:** Mr. Speaker, I am not asking that this Bill be now read a third time. I am asking that the third reading be not proceeded with, but that this Bill be referred back to Committee of the Whole on tomorrow.

Motion, that this Bill be recommitted to Committee of the Whole House on tomorrow, carried.

**Mr. Curtis:** Mr. Speaker, I move that the remaining Orders of the Day do stand deferred, and that the House at its rising do adjourn until tomorrow, Friday at three of the clock.

On motion, all further Orders of the Day stand deferred.

On motion the House at its rising adjourned until tomorrow Friday at three of the clock.

Friday, February 14th, 1958

(Afternoon Session)

The house met at three o'clock.

**Hon. J. R. Smallwood** (Premier): Mr. Speaker, when I invited my colleague, the present Minister of Health, to enter the Cabinet and to take over the direction of the great Department of which he had been the distinguished Assistant Deputy Minister, I did so because I was very anxious to formulate, introduce and carry out a great new public health policy for the people of Newfoundland. My honourable colleague accepted the invitation on that basis, and, in close collaboration with his own associates in the Department of Health, has since then been drafting the details of that new public health policy. Part of the policy I have already announced. That is the Children's Health Plan. Under this plan, every child in Newfoundland, up to the age of sixteen, will receive free hospital, diagnostic, medical, surgical and medicinal care. Extensions will be made to this plan from time to time, and it is our fond hope that the Children's Health Plan, in the next few years, will have the effect of raising the standard of individual health in Newfoundland to a height never before attained on the Island or in Labrador.

I wish today to announce the next step forward in our Health Program. This stage,

which has been worked out by my colleague, the Minister of Health, and his staff, has been considered by the Cabinet and given the Cabinet's very cordial approval. It is a program to build seven new General Hospitals in this Province; six new Children's Hospitals; and the enlargement of seven of the existing Cottage Hospitals. The new General Hospitals will be located as follows:—Corner Brook—seventy five beds; Grand Falls—seventy-five beds; Gander—eighty beds; Clarenville—fifty beds; Bell Island—fifty beds; Baie Verte Peninsula—thirty beds; St. John's (Mental Hospital)—five hundred beds:

The new Children's Hospitals will be located as follows:—Corner Brook—forty beds; Grand Falls—fifty beds; Gander—thirty beds; Clarenville—twenty-five beds; Bell Island—twenty-five beds; St. John's—two hundred beds:

The existing Cottage Hospitals that will be enlarged are as follows:—Old Perlican; Placentia; Fogo; Brookfield; Bonne Bay; Stephenville Crossing; and Burin.

In addition to these new hospitals and extensions to existing hospitals, residences will be built for Medical Doctors at:—Brookfield; Hermitage; St. Joseph's and they will be renovated at Burin, St. George's and Stephenville Crossing.

Additional Medical Doctors are to be stationed at:—Jeffrey's in St. George's District; St. Lawrence; Port Saunders; Old Perlican; Hampden; Stephenville Crossing and Brookfield. In addition to these seven additional Medical Doctors, many others will be added accordingly as the new hospitals or extensions to hospitals are completed.

In addition to these new hospitals and extensions to hospitals, Mr. Speaker, the Government decided this morning to proceed at once to call tenders from contractors for the construction of the new two million dollar Cancer Wing for the General Hospital in St. John's. The excavation and construction of the foundation walls have already been completed for this new Cancer Wing, the steel is now being erected, and the necessary backfill is about to be done. We hope to complete the construction of this great new Cancer Wing in about twelve months from the awarding of the contract a few weeks from now.

Mr. Speaker, when these seven new General

Hospitals, and these six new Children's Hospitals have been built, and these seven existing Cottage Hospitals have been considerably enlarged, it will mean an addition of one thousand, two hundred new hospital beds (altogether) in Newfoundland. We have three thousand, five hundred beds at the present time, and one thousand, two hundred added to three, thousand five hundred will, I think the House will admit, be a very great step forward in the medical program of this Province.

In addition to these new hospitals and hospital extensions, Mr. Speaker, we have decided to erect a new three million dollar Nurses' Home for the General Hospital at St. John's. This great new residence will give excellent accommodation for some three hundred nursing students at the General Hospital. We intend also to spend a considerable sum of money to make important alterations to the Regional Laboratory of the West Coast Sanatorium in Corner Brook.

Mr. Speaker, this great new hospital program will cost twenty million dollars. We will get some of this money by way of hospital grants from the Government of Canada, as we have been receiving them for the last nine years. We will receive some money from private companies and the public, in the cases of Grand Falls and Bell Island. From these sources, we will probably receive more than three million dollars altogether, leaving seventeen million dollars as the part the Newfoundland Government will contribute.

I am, of course, particularly proud of our Children's Hospital Plan. There will be six of these, at St. John's, Corner Brook, Grand Falls, Gander, Clarendville and Bell Island. They will have a total of three hundred and seventy beds, and, when they are provided, Newfoundland will at least have made a beginning at seeing that the children of Newfoundland are given as good an opportunity to have good health and medical care as any children are getting in Canada today. When the estimates and Budget are brought down, later in the present Session, we will ask the house to approve a vote of two and a quarter million dollars to be spent on this great new hospital program in the coming financial year, commencing on April 1st. In the year after this one the sum will have to be very much larger, and it will

have to increase steadily until the full twenty million dollars will have been expended, within five years from the present time. That is the total period within which we plan to construct these fourteen new hospitals and extend these seven Cottage Hospitals. I think, Mr. Speaker, that this is probably one of the greatest Health and Hospital Programs launched anywhere in Canada for a good many years.

**Hon. M. M. Hollett** (Leader of the Opposition): Mr. Speaker, if I may I would like to ask the Honourable the Premier a question on that very important statement and one which we are all very glad to hear—This plan has been worked out, I take it, in consultation with the Medical Association—I mean, it is such a huge plan and will have such beneficial effect upon our people—I take it the Government has taken advantage of the advice of the Medical Association?

**Premier Smallwood**: Mr. Speaker, no, anything that involves the co-operation of the Medical Profession, anything that depends on their co-operation, such as the operation of the Children's Health Scheme, would be introduced, of course, only after careful consideration and consultation with the medical profession. But we do not feel, as a Government, that we need to consult with any private individuals nor parties when we are deciding whether or not we will construct Government Hospitals. Three of these are Government Hospitals and we are constructing them practically all at public cost, particularly all. We do not feel we need to consult with any private individuals in that matter. Now, that is not meant for one moment as a discourtesy to the medical profession, but we just do not feel the medical profession, as an association has any right to be consulted.

Having said that may I add this:—My colleague the Minister of Health, who is himself a highly respected member of the medical profession, will unquestionably have discussed the matter, unofficially (as man to man, doctor to doctor) with more than one member of the profession. There is no doubt of that. I would say it is extremely likely, also, that the Deputy Minister of Health, who is also a highly respected member of the medical profession, has



likewise discussed the matter (off the record and unofficially) with various medical doctors—But the Government as such, and the Department as such, have not felt any necessity to consult with the medical profession in deciding whether or not to proceed with the construction of public hospitals any more than will they consult with the legal profession if they decided to build a new court house.

**Mr. J. G. Higgins** (St. John's East): Except for staff.

**Mr. Smallwood:** That would be a matter of getting judges. We have never had any real difficulty in getting members of the legal profession for judges.

#### Presenting Petitions:

**Hon. S. J. Hefferton** (Minister of Welfare):

Mr. Speaker, I beg leave to present a petition from the residents of Dildo in the District of Trinity South. The petitioners draw attention to what can be described as an access road leading from their settlement, some two or three miles further in, where they have been in the habit, for years, of cutting and securing their lumber requirement for wharves and fuel. It has been pointed out that this road has become almost impassable, and the petition asks that attention be given to it during the ensuing year.

Mr. Speaker, I support the prayer of the petition, and ask leave to have it tabled and referred to the Department to which it relates. On motion, petition received for reference to the Department to which it relates.

**Mr. G. Nightingale** (St. John's North): Mr. Speaker, I decided to present a petition for a place which we very seldom hear about, St. John's North. I might say these people of St. John's North have been there a considerable time. It is a place in what we call "the fringe of the city", Anthony Avenue.

Anthony Avenue is presently impassable. Forty motorists petitioned two years ago, and as a result of the petition were privileged to have a very thin layer of gravel spread over the surface. However this has

long since disappeared and now only the potholes remain. The petition states—"We trust our representative will intercede for us to have this deplorable condition attended to as quickly as possible."

Now, Mr. Speaker, I might say Anthony Avenue has no name marked up. If you went in there you would not recognize it. It is almost out to Mundy Pond on the back, with the entrance full of rocks and in a very deplorable condition. I have listened to a preview of medical projects here. I wish to offer my congratulations. But I have always been a great believer that prevention is better than cure. In that area we have the biggest cess-pool in North America. I actually saw a man empty his garbage in the river. Prevention, as most doctors will agree, is better than cure. When presenting this petition, I would like the medical bodies to look into that condition, to see the houses there and also clean up that cess-pool called "Mundy Pond".

On motion, petition received for referral to the Department to which it relates.

**Mr. G. R. Renouf** (St. John's South): From most of the residents of Maddox Cove, Mr. Speaker, I have a petition requesting some attention be given to the road leading from Petty Harbour to Maddox Cove. It is not by any means a luxury road the residents request, but rather some protection from the dangerous situation that exists there, where the road winds around a precipitous cliff, in some places two-hundred feet high. Where there are children going to school at Petty Harbour, and going back and forth through Petty Harbour, it is considered very dangerous to have an unguarded cliff road.

They appreciate the work the Department of Highways did some time back in safeguarding a crevice that had run almost completely across the road. They appreciate very much what was done in November to rectify that particular spot, but they do request that a little safeguard or railing be erected for their personal protection along that way.

In supporting the petition, Mr. Speaker, I ask it be placed on the Table of the house and referred to the Department to which it relates.

On motion, petition received for referral to the Department to which it relates.

**Mr. Hollett:** Mr. Speaker, I have the honour to present two petitions. As both petitions are related to the same subject, I present them at the same time. One is from the people of Long Harbour, Placentia Bay, one hundred and eighteen people, and the other is from ninety-five people who signed their names, Arlington Heights, Placentia Bay. Both the petitions request that their settlement be included in any extension of electrical power in that area.

The one from Long Harbour, says they are less than twenty miles from the point where electrical power is now available, and consequently they think that it would not be difficult to extend the electricity.

**Mr. Smallwood:** Twenty miles?

**Mr. Hollett:** Yes, twenty miles. It is less than twenty miles from where electrical power is now available, the settlement of Chapel Arm. They feel that, under the circumstances, the extension is a simple matter.

The people of Arlington Heights are in a much similar position. As I said, there are one hundred and eighteen signatures to the other.

I have much pleasure, Mr. Speaker, in supporting their petitions and ask they be laid on the Table of the house and referred to the Department to which they relate.

On motion, petitions received for referral to the Department to which they relate.

**Presenting Reports of Standing and Select Committee:**

None.

**Giving Notice of Motion:**

None.

**Giving Notice of Questions:**

Notice of questions (on tomorrow) given by Mr. Hollett.

#### ORDERS OF THE DAY:

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

**Hon. Dr. J. W. McGrath** (Minister of Health): Mr. Speaker, this is an Act to repeal Section 194 of the Health and Public Welfare Act.

Under the Act as it stands at the present

time, there is a requirement that all hospitals in the Province be licenced by the Department of Health, and standards and so on are prescribed by that Department. But under Section 194, hospitals owned or operated by religious denominations or bodies are exempted from this licencing.

Now, with the prospect in front of us of the insurance arrangement with the Federal Government to apply free hospitalization, unfortunately that will mean our present denominational hospitals, of which there are two, St. Clare's and the Grace Hospital, would not be able to benefit by the payments envisaged under that scheme, because the Federal Act requires that any hospital must be licenced, before it can sign a valid contract with the Province. It is for that reason I ask for the repeal of this particular section, which will then bring all hospitals in the country under licencing power of the Department of Health.

I may say the two bodies concerned, the authorities in charge of the Grace and St. Clare's Hospitals, have both been fully consulted on the matter, and are in entire agreement with the action of the Government in bringing forward this Bill.

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

Honourable the Attorney General asks leave to introduce a Bill, "An Act Further to Amend the District Courts Act."

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

Honourable the Attorney General asks leave to introduce a Bill, "An Act to Further Amend the Judicature Act."

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

Honourable the Minister of Finance asks leave to introduce a Bill, "An Act Further to Amend the Loan and Guarantee Act, 1957."

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

Honourable the Minister of Finance asks leave to introduce a Bill, "An Act to Amend the Local Authority Guarantee Act, 1957."

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

Honourable the Minister of Mines and Resources asks leave to introduce a Bill, "An

Act to Amend the Unimproved Lands (Redistriction Act) 1957."

On motion, Bill read a first time, ordered read a second time on tomorrow. Honourable the Minister of Fisheries asks leave to introduce a Bill, "An Act to Amend the Fishery Salt (Sales and Distribution) Act, 1957."

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

Honourable the Minister of Mines and Resources asks leave to introduce a Bill, "An Act Further to Amend the Undeveloped Mineral Areas Act."

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

Honourable the Minister of Finance asks leave to introduce a Bill, "An Act Further to Amend the Gasoline Tax Act."

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

Second Reading of Bill, "An Act to Amend the Department of Municipal Affairs and Supply Act."

**Hon. B. J. Abbott:** (Minister of Municipal Affairs): Mr. Speaker, this amendment is very simple. The object is, of course, to bring the City of Corner Brook, the Local Improvement Districts and Community Councils within the ambit of this Act.

Mr. Speaker, I move second reading.

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

Second Reading of Bill, "An Act to Amend the Department of Public Works Act, 1957."

**Hon. J.R. Chalker:** (Minister of Public Works): Mr. Speaker, this amendment gives the Department of Public Works the authority to regulate traffic on Government owned lands. Highways are not affected in any way and they will still be subject to highway regulations. Under the proposed legislation the Minister of Public Works would allow permits to be used, etc., in public places.

**Hon. M. M. Hollett:** (Leader of the Opposition): Mr. Speaker, what is on the permit to indicate the authority under which the sign is erected? What is to indicate there is some authority? Anybody could put up a sign for "no parking" and get away with it. I parked

under a no-parking sign the other day and did not get away with it. I was not gone two minutes and when I came back I had a ticket — who am I to blame?

**Premier Smallwood:** Blame the Government. I have had three tickets and have gone up three times and paid my fine like a man, I hope.

**Mr. Hollett:** I did not feel much like a man.

**Mr. Smallwood:** If the honourable gentleman will allow — Once I was Attorney General while the Attorney General was away. I think the police were waiting until I was Attorney General. They figured the time would come sometime when I was Attorney General. As soon as I was, they put a ticket on my car — I went up and paid. I do not know whether the present Attorney General would do that or not —

**Hon. L. R. Curtis:** (Attorney General): I sometimes get a ticket.

**Mr. Speaker:** Order — It is the Honourable the Leader of the Opposition who has the floor.

**Mr. Hollett:** I am speaking to the principle of the Bill — I was going to raise the question, whether the Attorney General got a ticket or not or whether he paid it if he did get it. I stated I had to pay a no-parking penalty recently, and now I am joined by the Honourable the Premier — he paid three times, so who am I to object? But the point I was raising under subsection 5 — "The Minister may erect no parking signs." I think that on such a sign there ought to be something like they did have. "DPW" or something, to indicate the authority under which such a sign is erected. I did know of cases where individuals did put up a no-parking sign. I grant you it did not look like the official one, but it did say "No parking." I would suggest some letters or something put on the sign.

**Mr. Higgins:** I might say, Mr. Speaker, before the Minister rises, there is one section here that may give rise to some enquiry, that is the provision permitting the Minister to issue permits to any person to park his vehi-

cle on any of the land referred to. Now, I presume that land will be used by people engaged in the service of the Government of Newfoundland. As it is presently worded, the Minister can, if he so wishes, (if he had a brother, nephew, father-in-law, say, working down near the court-house) give permission to drive in on the land. I know it is an idea, and there are people in the Province uncharitable enough to say it will be done. I merely draw it to the Minister's attention so that if there is any way he can alleviate this objection, he might do it. Then we are also giving, Sir, under this proposed legislation, the right to impose fines — No, it is not — I beg your pardon — because if you read sub-section (6) you will find a minimum fine of twenty-five dollars but I do think, Sir, that "preferred parking" might lend itself to misinterpretation.

**Mr. Nightingale:** Mr. Speaker, I agree with the Honourable Leader of the Opposition. In the City of St. John's there are "No Parking" signs in some places, and the signs are not even marked "The City of St. John's." I think it is only right. These things will get tangled up, and people will think they are breaking the Municipal Act when they are breaking the Public Works Act. This Act we are passing now should designate a distinguishing mark of the Department it comes under — they are the ones have to take the action — I agree with the Honourable Leader of the Opposition and it is so easy to put "DPW."

**Mr. Curtis:** It is always difficult to know who has authorized the erection of these signs. I believe in the City of St. John's the Minister has delegated his authority to the Council, and I believe further that the Council redesignated it to the Traffic Commission — Now then, whose initials should be on the back of it?

**Mr. Higgins:** There are not using any.

**Mr. Curtis:** I believe there is legislation provision under the Highway Traffic Act; it is no longer necessary to identify the signs — It may be a mistake, but that matter is not before us now. That is already provided for in another section of the Highway Traffic Act, which is not before the House.

**Mr. Speaker:** Order — The honourable member has spoken. The Honourable Minister who introduced the Bill closes the debate. I take it no other honourable member wishes to speak.

**Hon. J. R. Chalker:** (Minister of Public Works): Mr. Speaker, the questions put forward by the various members here will be taken care of in Committee. A question was asked about placing initials on signs. The Deputy Minister has informed me it is not necessary any more.

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

Second Reading of Bill, "An Act Further to Amend the Civil Service Act."

**Hon. E.S. Spencer:** (Minister of Finance): Mr. Speaker, in second reading of this amendment, I would like to point out for the information of anybody who may not be too familiar with it, this merely amends Paragraph (c) of subsection 3 of section 30 of the Civil Service Act, Chapter 22, of the Revised Statutes of 1952. Under that Statute (I have not got the details of it before me, and do not think it is necessary) we are in the position that if a person who was employed by the Department of Education were to resign his position, say to go back home and fish, or even to take on the more criticized vocation of entering public life; and then at some future date decide to apply again for employment in the Civil Service; under the Civil Service Act he would be entitled, if he could qualify to obtain re-employment in the Civil Service, under the Pensions Act as laid down in this original Act, he would be eligible to count his former years of service for pensionability, which all Civil Servants are entitled to. But he would not, I say, be entitled to receive these added years for pensionable service unless he re-entered the Department of Education.

Now, that is the pertinent point. We do not think that when the Act was formulated it was meant to discriminate against any individual who might, for any reason, resign his post in the Civil Service and then decide to re-enter the Civil Service in any particular Department. I do not think it was the intention of the people who wrote the Act to deprive that particular individual of his pensionable years of service.

It is for that reason, and that reason only, that this particular amendment is now before the house. So much so if a person were, as I said at the outset of my remarks, to resign his position to go into farming or fishing or any other vocation that he choose, and then later decide to come back, he could not, by that clause, be compelled to re-enter the Department of Education in order to qualify for his pension rights — He could enter any Department of Government and qualify. Mr. Speaker, that is the whole purpose of this amendment, and I move second reading.

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

Second Reading of a Bill, "An Act to Authorize the Lieutenant-Governor in Council to Enter into an Agreement with Crown Zellerbach Corporation."

**Hon. J. R. Smallwood:** (Premier): Mr. Speaker, with the concurrence of the house, I do not propose to move the Crown Zellerbach Agreement this afternoon but rather to do it on Monday afternoon.

I may say, Mr. Speaker, we have had a conference with the Honourable Leader of the Opposition on that matter, and it has been agreed between us that on Monday I will move second reading with a speech in which I will describe the agreement and so on; and then the debate, on the completion of my remarks, will be adjourned, and the house might adjourn, until, say Wednesday, if there is no other work to be done, or if there were, the house might adjourn for a day, to give the Opposition at least a whole day in which to go through the legislation carefully, and see if there is anything in it that they do not agree with, so that they will be ready to resume the debate when it is called again on Wednesday.

So, Mr. Speaker, my present plan is to move, on Monday, second reading and then adjourn the debate until Wednesday, and then so that the Opposition may have as long as they want to consider, and then having considered it, to debate this piece of legislation. I was going to suggest, Mr. Speaker, that we might have a recess for ten minutes, and after recess do the third readings and then go into Committee of the Whole on the St. John's Shops Act.

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

Third Reading of Bill, "An Act to Incorporate the City of Corner Brook and for Other Purposes in Connection Therewith."

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

Third Reading of Bill, "An Act Further to Amend the Act 5 Edward VII, Chapter 10 Entitled "An Act to Encourage the Manufacture of Pulp and Paper in this Colony."

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

Third Reading of Bill, "An Act Further to Amend the Local Government Act, 1956."

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

Third Reading of Bill, "An Act Further to Amend the Highway Traffic Act."

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

On motion that the house go into Committee of the Whole on Bill Number 22 "An Act Respecting the Payment of Bounties on the Rebuilding and Repairing of Fishing and Coasting Vessels," and Bill Number 13, "An Act Further to Amend the St. John's Shops Act," Mr. Speaker left the Chair.

**Mr. Clarke Chairman of Committee of the Whole.**

Committee of the Whole on Bill, "An Act Respecting the Payment of Bounties on the Rebuilding and Repairing of Fishing and Coasting Vessels."

**Mr. Chairman:** This was concluded, and referred back to Committee of the Whole again.

**Hon. L. R. Curtis:** (Attorney General): I would move, Mr. Chairman, that we consider Clause 9 (1) (c) on the bottom of page 7. I ask leave that the section be reconsidered.

On motion, leave given to reconsider Clause 9.

**Mr. Curtis:** At the last session, Mr. Chairman, we amend that section to read: —

"(c) which for a period of at least five years immediately before the permit was issued was engaged in the fishing and coasting or

either of them or lying up in Newfoundland."

Now, Mr. Chairman, that was a bit ambiguous — "Lying up in Newfoundland for a period of two years." If that were carried through literally it would mean any boat lying up two years would qualify. That was obviously not the intention of the house. I therefore move as an amendment to (c) — "Which are registered in Newfoundland for at least five years immediately before the permit was issued and were during the whole of that period engaged in the fisheries and coasting or either or them, or lying in Newfoundland, but for the purpose of this paragraph no period of lying up shall be counted except with the approval of the Minister." Mr. Chairman, that gives the Minister some discretion, and I move that amendment.

**Mr. Higgins:** Of course that would not cover — suppose a man were to buy a vessel somewhere outside, he would not qualify — registered in Newfoundland at least five years.

**Mr. Curtis:** He cannot get a bounty unless it were registered for five years.

**Mr. Hollett:** It's got to stop somewhere.

**Mr. Curtis:** I think we might let that go through now.  
On motion, Clause 9 (1) (c), as amended, carried.

**Mr. Curtis:** Mr. Chairman, since we are on this Bill we might have another look at Section 6, and therefore I would move that Section 6 be reconsidered.  
On motion agreed that Section 6 be reconsidered.

**Mr. Curtis:** It has been suggested that the same wording should take place in Section 6 as Section 9. Section 6 says: —  
"Subject to this Act the Minister shall pay bounties in respect of vessels which are ....  
"That is a very badly worded section.  
We might follow the wording Section 9: —  
"Subject to this Act the Government shall pay the bounties under this Act only in respect of vessels which are ...." with the same wording for (a), (b), (c), (d) and (e).

I would move this amendment to Section 6.  
On motion, Clause 6 as amended carried.  
Motion, that the Committee report having passed this Bill with some amendment, carried.

**Mr. Hollett:** Before we leave the other I wonder could I ask the Minister if he could say who is the Director of vessel construction?

**Mr. Curtis:** Mr. Richard Harvey.

### ST. JOHN'S SHOP ACT:

Committee of the Whole on Bill, "An Act Further to Amend the St. John's Shops Act."

**Mr. Chairman:** When the Committee rose on Item 13, "An Act Further to Amend the St. John's Shops Act." Clause 2 was the clause under consideration. There was an amendment moved by the Honourable member for St. John's East, which dealt with the three sub-sections of Clause 15 — To begin with, this amendment stated it was in three sections — I think possibly it would have been better if the amendment had been broken down to deal with each one of the clauses, because a person may find himself agreeing with one part of the amendment and disagreeing with one or more other parts of the amendment, and would consequently find himself in a position where he had to vote against what he believed in two sections, in order to vote for what he believed is in the first one. I think probably it would have been better if we had the amendment to each sub-section as it came up.

**Mr. J.G. Higgins:** (St. John's East): Mr. Chairman, by leave of the Committee I would follow that procedure, and move that sub-section (a) of Section 1 be amended by deleting the words "two hundred dollars" and substituting therefore "to a fine of not less than twenty-five dollars and in default of payment" strike out the words "one month" and substitute "seven days."  
I move that amendment, Mr. Chairman.

**Mr. Chairman:** No, on that there was a point of order raised; that the amendment

is outside or contrary to the principle of the Bill. Now, as I see it, the present Act to which this Bill suggests an amendment, the fine would be twenty-five dollars. This amendment makes it so that the fine could still be twenty-five dollars, although it states not less than twenty-five dollars in each instance. As I see it, the whole principle of the Bill is to render it impossible for any court to impose a fine that is not substantially in excess of twenty-five dollars. That appears to me to be the underlying principle of this Bill at the present time — to render it impossible for any fine which is not substantially in excess of twenty-five dollars to be imposed.

For that reason I think that the amendment is contrary to the principle of the Bill as passed in second reading, and for that reason I have to rule the amendment out of order.

The same ruling, of course, would apply in the case of Clause (b) and Clause (c).

**Mr. Higgins:** Mr. Chairman, I have not made any on Clause (b) as yet.

**Mr. L. R. Curtis:** It is indicated.

**Mr. Higgins:** Now, Mr. Chairman, in respect of subsection (b) I would move that the words "one thousand dollars" be deleted and that there be substituted therefore "two hundred dollars."

**Mr. Chairman:** Following the same ruling as I gave just now, the amount of the fine was fifty dollars and this one is two hundred dollars. I accept the amendment on Clause (b).

**Hon. M.P. Murray:** (Minister of Provincial Affairs): Well, Mr. Chairman, in that event I would certainly like to oppose the amendment as proposed by my honourable friend from St. John's East, and I think in doing so, it would be proper for us to go back to the atmosphere in which this Bill was framed, and this amendment made. As we all know, a certain segment of the population here in St. John's openly announced they were about to break the law. At that moment, the Legislature was in session, and this house unanimously agreed to a principle that the law should not be broken; and

to assure it would not be broken it was decided that a fine much more drastic than any allowed in the original Act would be brought in. That was voted on, and every member of this house accepted than unanimously.

**Hon. M.M. Hollett:** (Leader of the Opposition): Not that a drastic fine be brought in.

**Mr. Murray:** The principle was that the law would be enforced, and the method whereby it was done was that the fine was raised so drastically it would not pay the people to break it. That is the principle of the Bill. That was accepted, as I say, by this house, unanimously. A couple of days later, the honourable member proposed an amendment which would nullify that principle. As we all know, Mr. Chairman, no Committee, not even a Committee of the Whole House, can nullify an Act of the house itself. If this amendment were accepted, it would cancel out everything we have done previously, and we would be put back exactly in the same position as if the principle had never been accepted, and this Bill never brought in at all. I suggest, Sir, the amendment is bad because it nullifies the principle of the Bill, is destructive of the Bill and is not compatible with it.

**Mr. Hollett:** Mr. Chairman, I cannot agree with the argument put forth by the honourable member for Ferryland. If the argument advanced by the honourable member be so then, suppose we leave the thousand dollars there (it is a thousand I believe) still some people who have been described on Water Street as Maharajahs and Nabobs —

**Premier Smallwood:** Also as outlaws and lawless men.

**Mr. Hollett:** Some of the people who still say that in spite of that thousand dollars "we will keep our shops open anyway." What are we going to do, bring in another Bill and say five thousand dollars, and if they still say no, then are we to take their heads off?

**Mr. Smallwood:** No, keep raising the fine.

**Mr. Hollett:** Raising the ante. That is not the way to carry out law and order.

**Mr. Smallwood:** If they keep breaking it, how can we keep on enforcing it? At twenty-five dollars a time they could go on for a thousand years and become millionaires, at twenty-five dollars a shot.

**Mr. Hollett:** That is not the way to look at it.

**Mr. Smallwood:** Move an amendment just to give a jail sentence, with no fine at all.

**Mr. Curtis:** We will agree.

**Mr. Hollett:** This Act was never made to carry out the idea as sponsored by the learned member for Ferryland. It was not thought, when this Act was passed, that people were going to deliberately say they would defy and not keep it.

**Mr. Smallwood:** Not when the Act was made, but they did it.

**Mr. Hollett:** Let the law enforcement officers have a chance and start to carry out the law as it is; or if the people think the fine there is a little bit too heavy and want two hundred dollars, alright make it two hundred dollars. Twenty-five dollars, I admit, is not much for any person on Water Street who is going to defy the law and open a store when ordered not to; but I do think if we adopt the same principles as these same maharajahs on Water Street adopted, then one day they open their shops and the next day the house opens and we increase the fine and the next day they open their shops—after all, what is a thousand dollars to a maharajah or nabob on what-not? they do not mind a thousand dollars.

**Mr. Smallwood:** Mr. Chairman, to a point of order—there is an amendment, and Your Honour has accepted the amendment as being in order. By so doing, Your Honour has committed the Committee now to go back to the principle of the Bill. Your Honour ruled out the first amendment, very properly, but accepted the proprietary of the second amendment, and in so doing allowed the Committee of the Whole to do an unprecedented thing in Parliament—through history—to debate again a principle accepted at second reading. Here we are back again debating the principle of the Bill.

That is what we are doing, and apparently it is in order.

**Mr. Higgins:** At least, the Minister of Provincial Affairs initiated the debate.

**Mr. Hollett:** Absolutely, and brought up the affairs of which I am presently talking. Incidentally, we are not nullifying the principle of the Bill because, as the Chairman so well pointed out, we are increasing the fine from fifty dollars up to two hundred. We agree to that, but we do think from fifty dollars up to a thousand dollars is not the principle. I would say the amendment would be quite in order, and I certainly support the amendment made by my learned friend.

**Mr. Renouf:** Mr. Chairman, may I have a word on that:—I think we are seeking for a yardstick in the matter. If I recall correctly, the Honourable the Premier himself said there should be a sharp increase in the amount of the fine. Well, surely an increase of from fifty to two hundred dollars should be regarded as a sharp increase. After all, we are considering the whole thing in the light or in the tenor of how fines and impositions and things like that run.

**Mr. Smallwood:** The honourable gentleman has forgotten; if the amount is one to two hundred in the first, where is the sharp increase for the second offence? If this amendment were to be carried, where is the sharp increase from (a) to (b), (a) is two hundred dollars, and the amendment for (b) is that it be two hundred, so that the second offence is the same fine as the first offence.

**Mr. Nightingale:** Mr. Chairman, I think that true progress is to bring up heavier artillery, war has been declared—They have decided they are going to open anyway—bring up heavier artillery. Not only that; if they get a small fine it is quite possible even the stores themselves will compete with each other. One fellow for twenty-five dollars would open anyway, the other would close. Look at the competition. The stores would be competing with each other. On the other hand they have only this Saturday to open—this is the last Saturday.

**Mr. Hollett:** The honourable gentleman



forgets this law is for St. John's City, not for Water Street but St. John's City, and if Tom Jones on Flower Hill inadvertently opens his store some Saturday morning, it is a thousand dollars, and puts him out of business. That is the man I think the honourable member should think about, not the man on Water Street, to blazes with him, he can pay his fine anyway.

**Mr. Smallwood:** To what with him?

**Mr. Murray:** Mr. Chairman, I think we are out of order — My honourable friend's amendment is wrong because it nullifies the principle of the Bill. It has nothing whatsoever to do with the merits or demerits, which should be discussed after the amendment is disposed of.

**Mr. Chairman:** The amendment is that the amount be changed from not less than one thousand to not less than two hundred dollars.

**Mr. Smallwood:** Which would mean the same as (a), the first and second offence would have the same penalty.

**Mr. Duffy:** I would like, Mr. Speaker, to support the amendment. When I spoke on the principle of the Bill I suggested, and for very obvious reasons, that this Bill was conceived in haste and obviously I don't think we should have to waste too much time on that point; it is obvious to me it was conceived in haste, and that is what has brought about this unfortunate situation.

**Mr. Curtis:** What situation? The honourable member is talking about a serious situation — Is he referring to the shops opening last Saturday? — if so that has nothing to do with this Bill.

**Mr. Duffy:** I suggest it is a very serious situation. I think the action of the Government brought the law into disrepute. I think that fines and penalties should have some relation to common sense, and to some reasonable comparison with the nature of the offense. Now, a thousand dollar fine for the opening of a shop for a second offence

in a circumscribed area certainly does not seem to me to be reasonable, and bears no relationship whatever to common sense. I think, as I said before, this was conceived in rancor, and there is no question at all that the Attorney General mentioned a week or so ago, one reason why these penalties and others in another section were to be brought in was because of the profit motive, and that a one thousand dollar fine would restrict or prevent —

**Mr. Smallwood:** No, Mr. Chairman, this is out of order. This is repeating what was said in debate on second reading. It is not in order, Mr. Chairman, to repeat in one debate what was said in another debate in the same session of the house. Now, the debate on second reading is over, and it is out of order to repeat what was said in it. It is out of order — It is worth hearing, but it is out of order.

**Mr. Duffy:** Mr. Chairman, the profit motive, that too tends to make the stores on Water Street fearful of opening, for a fine is one thing that is very reasonable, and subsequent events proved that the largest employer of retail labour on Water Street, Ayre & Sons — Ayre & Sons is the largest employer of retail clerks. There is none larger than Ayre & Sons.

**Mr. Curtis:** Bowrings advertise they are the biggest.

**Mr. Duffy:** That shop opened for one hour. Now they could have opened with a fear of a larger fine, and they could have remained open to six o'clock and made the forty-five thousand dollars some one suggested they make a day. I think the fine is ridiculous and out of all proportion to common sense, and I support the amendment.

**Mr. Clarke:** The amendment was heard — Those in favour of it say "aye" and against the amendment say "nay." I declare the amendment lost.

**Mr. Higgins:** In sub-section (c), Mr. Chairman, I move that the words "five thousand" be deleted and substitute the words "one thousand dollars."

**Mr. Murray:** Generous.

**Mr. Higgins:** Well, we have to move with the times. I will leave the nine months there.

**Mr. Murray:** Mr. Chairman, I rise again to oppose the amendment. Again I say it is against the principle of the Bill. We have to see the law enforced, and if people persist in breaking the law the fine should be graduated, and surely for the third offence, after being hauled up twice and fined two hundred on the first, and a thousand the next, then the final offence or the third fine should be more than what it is for the second.

**Mr. Clarke:** We could go over all the same arguments actually we have heard in connection with (b). It would be repetition on (c) and therefore I put the amendment. I declare the amendment lost.

**Mr. Hollett:** Mr. Chairman, before you leave that, I wonder if I would be in order in moving that sub-section (c) be deleted completely? Would that be in order or out of order?

**Mr. Curtis:** There would be no punishment then for the third offence; that would be grand.

**Mr. Hollett:** We ought to have something for the fourth, according to you.

**Mr. Smallwood:** No, the third and any subsequent offence.

**Mr. Hollett:** I withdraw that.

**Mr. Higgins:** Mr. Chairman, sub-section (2) is, I submit, completely pointless. It does not seem to be reasonable. A man may not even be in the country.

**Mr. Curtis:** Yes, I would suggest, Mr. Chairman, to the Minister, we might write in, after the words "director of the company" and have it read this way: — "The occupier of a shop who contervenues any of the provisions of Section 4 of this Act as a company, the company who is resident in Newfoundland at the time of the alleged contravention, is guilty of an offence." Put in the words after company "who is resident in Newfoundland at the time." We should really say "the Province" — "who is resident

in the Province at the time of the alleged contravention is guilty of an offence."

**Mr. Hollett:** We would then have to define the word "resident."

**Mr. Curtis:** We will leave something for the criminal lawyers to defend.

**Mr. Duffy:** Mr. Chairman, this again confirms what I have already said about the previous section — about this thing being conceived very hastily and not in a very detached frame of mind, I am afraid — by the people who thought it up — But when you consider the implications of this section — I know a firm on Water Street with sixteen directors. Now, on a third offence, this body of sixteen directors in this firm would be subject to a fine of eighty thousand dollars. Now I put it to you, even to the most enigmatical member of the opposite side—as far as the maharajahs are concerned—this is really ridiculous, there is no point to it at all. I know another firm on Water Street with fifty directors. Now according to this section—

**Mr. Curtis:** A firm on Water Street with fifty directors?

**Mr. Duffy:** Fifty directors.

**Mr. Curtis:** Do you hear that, Pat?

**Mr. Duffy:** I saw the Attorney General in the same store.

**Mr. Curtis:** I don't believe there is a store in Newfoundland with fifty directors.

**Mr. Smallwood:** I don't believe there is a company in the world with fifty directors.

**Mr. Duffy:** I am sure.

**Mr. Smallwood:** United States Steel nor Standard Oil have not got it.

**Mr. Duffy:** Doing a quarter of a million dollars business. A quarter of a million dollars, a quarter of a million dollars would be the fine.

**Mr. Smallwood:** Bowaters have not got it. There is not a company in the world with fifty directors.

**Mr. Curtis:** Mr. Chairman, I rise to a point of order — Here is a gentleman who says there is a company in Newfoundland with resident directors numbering fifty —

**Mr. Duffy:** No, not resident directors.

**Mr. Curtis:** We are talking to the amendment, and it says "resident directors."

**Mr. Duffy:** I would still like to say, Mr. Chairman, the other day the Speaker objected to my interrupting another speaker — I think the same applies to me. I am entitled to speak too without interruptions. Mr. Chairman, as I said before, because of the fact when the members of the Government framed or conceived this Bill they denuded themselves of all connection with common sense.

**Mr. Murray:** Mr. Chairman, I have to reply to my honourable friend over there again, and ask — when talking of common sense — does he mean to suggest the situation arises now, talking about the third offence, every director costs a quarter of a million dollars. Let us see what happens before anyone can be liable for the third offence — It is not an offence brought about by hot blood, nor done inadvertently, nor that sort of thing. What happens is that a board of directors, twenty or fifty, six down over a long top desk and decide to open their stores. It is done coldly and deliberately, if the offence arises, in an attempt to break the law. If fifty directors earn two million dollars, in that event I say the fine would be justified. No group of people should be allowed to sit down and deliberately and cold-bloodedly, and after due consideration decide, whatever the law is, "we are going to break it." If they do so, I say the penalty should be drastic.

**Mr. Duffy:** May I suggest the Minister is not talking too much common sense there, because I cite a hypothetical case. If the Minister of Provincial Affairs, on some fine Saturday, decides to go fishing and he finds he has not got a reel, and all his other friends have gone out of town, he has no reel — So he phones the Manager of a Company, of a store on Water Street, and tells him the spot he is in, and asks that he

help him out. So this friend, mind, goes down on Water Street and opens his store — and he has been fined twice mind you — and opens the store and sells him a two dollar reel; if there are sixteen directors in that store, that business, they are fined eighty thousand dollars — That is a concrete case.

**Mr. Curtis:** That is so concrete, Mr. Chairman, that is the reason for Section 19. The real bite of this section, Mr. Chairman, is that, if people are going to deliberately break the law, we must be able to punish them. Now then, the strength of this section is not in the fine. It is in the imprisonment. You cannot imprison a company but can, jolly well, imprison a director who announces to the world he is going to violate the law, he is inviting himself to jail; and this law is to enable the magistrate to send him to jail.

**Mr. Smallwood:** Mr. Chairman, surely the honourable gentleman who represents St. John's Centre does not feel that if directors of a company disagree with a law, that they should have the right to defy the law, to break it — ?

**Mr. Duffy:** I did not so suggest.

**Mr. Smallwood:** No I am asking the honourable gentleman a question — Surely, I say, he does not argue here that if a director of a company wishes to break a law, because he disagrees with it, that he should because he is a director who disagrees with the law, and does not think it is a good law, and does not think this legislature ought to have passed it, (although they did pass it, it is the law of the land) surely the honourable gentleman does not think because these directors do not think the Legislation ought to have been passed, they therefore should be permitted to break that law with impunity, or if not exactly with impunity, then with a slight, modest little punishment?

**Mr. Duffy:** That has nothing to do with what I am talking about.

**Mr. Smallwood:** It has everything in the world to do with it. This is designed to meet the case.

**Mr. Hollett:** Not the case before the courts now — I hope not.

**Mr. Smallwood:** The honourable gentleman knows better than that. Does he see anything in the Bill to make it retroactive, or say it will come into force before the Lieutenant-Governor gives Royal Assent. If it is given Royal Assent today, does he mean the case now before the court comes under the amended Act? That is just a bit of something I hesitate to put a word on, as it might only lead to a bad feeling. If the innocent and harmless gentlemen of Water Street had not called a meeting (and I am no lawyer) but I just wonder in passing whether that was a criminal act, for two or more persons to meet and decide to break a law. Is that an unlawful act?

**Mr. Higgins:** Who has the information? Who blew the Roast?

**Mr. Smallwood:** Someone who attended the meeting came straight to me and told me what happened and who said what, just as though I had been present. I am glad I was not. I might have been part of a criminal conspiracy — If these harmless and innocent gentlemen of Water Street had not met and decided, jointly and collectively, to break the law, but had merely gone and broken it, then what would happen? Obviously they would be prosecuted under the Act as it stands. If they had been fined and paid their fine, (if they had not again collectively broken it there would be nothing happen) but if they had broken it and had been fined their twenty-five dollars, and then again in quick succession had kept breaking it every Saturday — they did not break it the second Saturday for a very good reason, and here is the reason — (Oh yes, here is the reason — The honourable gentleman need have no doubt in his mind about it — Here is the reason. It is not the law yet — It is not the law yet). It is not yet the law, but there is at least a faint possibility that it will be the law — It is at least printed, it has received second reading, and we are half way through Committee of the Whole. It could be the law by three o'clock tomorrow afternoon.

**Mr. Clarke:** We are out of order now.

**Mr. Smallwood:** Exactly, Mr. Chairman, we have been breaking the law of the Assembly by passing this first in second reading, and then in the Committee of the Whole, acting as though we had not passed it and we go on debating it. That is why I insisted, to the best of my ability, that when a Bill passes second reading, never again should the principle be discussed. That is what happens when we try to debate it a second time in Committee of the Whole, when it is concluded in second reading. However, if there had been wisdom on Water Street, if they were not men of the intelligence of a third-form school child, if they had been grown up, if they were mature men, if they did not have blinkers on and could see anything outside the blinkers —

**Mr. Duffy:** To a point of order, Mr. Chairman, may I suggest we are discussing the amendment, and not persons on Water Street.

**Mr. Clarke:** I said, a moment ago, we had departed from Clause 2, as previously amended.

**Mr. Smallwood:** The honourable member was discussing a few minutes ago, directors, a hypothetical case and a Company which has fifty directors, and I am discussing the directors; and I say: — If the directors did not have blinkers on, if they had intelligence, if they were adult, if they were grown up, then they would have not entered into this conspiracy, and they would not have thrown down the gauntlet to the Government of Newfoundland, and more than that to the Legislature of Newfoundland. They would not have done that, because they would have known it is a game they can't win. We might as well close up the house and let it stay closed. We know well we will win.

**Mr. Duffy:** Why talk about it any more?

**Mr. Smallwood:** When you are dealing with children.

**Mr. Duffy:** They can't fight back — There is no need to attack.

**Mr. Smallwood:** They can't fight back? They have fought back for a hundred years,

and many times they have won. But of course they only win the battles, they always lose the war. They are going to be taught a lesson, if they were never taught one before, and are never taught one again. They are going to be taught a lesson now.

**Mr. Duffy:** That is repetition. It was brought up for repetition,

**Mr. Smallwood:** They are going to be taught a lesson by this Bill becoming law, because I believe in my heart that the Committee is going to pass the Bill, the house will give it third reading and it will become law of the land and we will teach them a lesson as to who is boss in Newfoundland — "Water Street or this Legislature." Who is the boss of Newfoundland, the lawmakers or the lawbreakers? (That is not a bad one. That is well put). The lawbreakers or the lawmakers — Who will rule Newfoundland? This law is going to tell that. That is why we are going to pass this Section 2.

**Mr. Duffy:** Mr. Chairman, we are talking about companies — a company can be made up of three people incorporated. Whether the company or shop or business is large or small, this particular Clause 2 relates to companies. I would suggest that there are dozens and scores of companies in this town which are comprised by an Act of incorporation, of father, mother and one or other members of the family — Where do they come in? They are still corporations. They are not millionaires. To run their business efficiently, they are incorporated the same as the people we are talking about, but down in the lower level, in relationship to finance and employees. There are dozens and scores of corporations all over town. They have no reserves, they are getting along as best they can, and in many cases they represent the estates of the deceased small shopkeepers where the widow is a director, and still getting a bit of living out of running the business, or the business is run by some younger member of the family. That is a point we have to consider, in these drastic fines and imprisonment. I would suggest that there are five times the number of these small corporations in this town, compared to the half dozen on Waer Street.

**Mr. Hollett:** Mr. Chairman, I do not intend to say very much more. I am afraid we are getting away from the great principle of law making in this particular section here, or in any section — but I am speaking on this one. You see, I have the honour to represent St. John's West which does not touch Water Street at all. The point if very well taken by my honourable colleague, that there are lots of shopkeepers in that area, small shopkeepers and there are not fifty directors in any of them, and they are likely to break the Shops Act; and, as a matter of fact, I would not be a bit surprised if a lot of them have, since 1942, when this Act was made, and it is going to be a little while before they get out of the habit — I hope I do not find it, but I might find, under this Act that some of my friends and friends of the Government who are shopkeepers in the district I represent may find themselves up before court, and fined five thousand dollars, and some might have to go to jail. I think we ought to remember that when making a law, we are making it for the people of the larger area, and not for a little place like Water Street, I have no sympathy for. As has been pointed out by the Honourable the Premier, and I think the Honourable Minister of Provincial Affairs, a bunch of men get together and decide they are going to break a law—I have no sympathy for them. They should get whatever is coming to them.

**Mr. Smallwood:** Not only what is coming, but what is coming should be a lot.

**Mr. Hollett:** Still, I think we ought to wait and see just what is behind the conspiracy of these men. Are they going to consistently break the law? Then if they are, increase the law and shove them in jail, do anything you like.

**Mr. Smallwood:** If they consistently break it, these heavy fines would apply.

**Mr. Duffy:** Capital punishment.

**Mr. Smallwood:** That is a little out of date. When they were bosses they made about one hundred and fifty little offences punishable by death — they were the bosses. They are the same type of gentlemen.

**Mr. Chairman:** Order, please.

**Mr. Hollett:** Thank you, Mr. Chairman, I was pointing out that we ought not to allow ourselves, as a House of Assembly, to be drawn into this thing by a few merchants who have been described as "nabobs" on Water Street, not allow ourselves to be drawn into that situation. Who is to blame, of course, I cannot say. I will soon be sixty and before long seventy, and I think I am grown up as much as any one on Water Street. I have no sympathy for a bunch of men who are going to, go and say they will, defy the Government and break the law. I said that before — and I say we on the Opposition side back the Government in carrying out the law, but we did not say we would back them in bringing in a law to make these merchants do what they are told to do — No, the law was there when that statement was made, and if it was to be violated, the law should be applied, and if broken again should be applied, and if, then, it was the opinion of the Government, these people were going to defy the law, then bring in your Act and stiffen the fine — After all, in England at one time, if you stole a sheep you lost your head.

**Mr. Smallwood:** When the ancestors of the "kings" down there were bosses.

**Mr. Hollett:** If one or two fellows lost their heads and said what they should not, let us not blame the whole of Water Street.

**Mr. Smallwood:** I agree, one particular little hothead, the fellow who did not want to come in through the back door.

**Mr. Hollett:** I think that is all I have to say — Thank you very much for putting up with me.

On motion Clause 2, as amended, carried.

**Mr. Duffy:** Mr. Chairman, if I may — If I have read this correctly, this is the most iniquitous of all these clauses. In my opinion, it has something more fundamental than the feelings of the Premier for the Water Street gang. This is an attack on "freedom of speech."

**Mr. Smallwood:** I am glad the honourable gentleman does not say "freedom of press."

**Mr. Duffy:** This says: — "An Occupier of a

shop is guilty of an offence and liable on summary conviction to a fine of not less than one hundred dollars in default of payment to a term of imprisonment for one month, who directly or indirectly makes, prints, advertises, publishes or broadcasts by any means, including radio or television, or cause or procures to be made, printed, advertised, published or broadcast by any means, including radio or television, any announcement that a shop will remain open or any day during which no open hours are provided by or in accordance with this Act." That is obvious, in other words, a Saturday or any Statutory holiday, any unlawful day, but a Saturday in this case.

**Mr. Smallwood:** It might be Good Friday.

**Mr. Duffy:** I quite agree. I could not agree more fully — any unlawful day — If I, as a shopkeeper, tell my honourable friend over there that I propose to open on Saturday, I am guilty of an offence. I suggest, Mr. Chairman, that this is calculated to spread fear through the land, this type of Legislation.

**Mr. Smallwood:** Fear of breaking the law.

**Mr. Duffy:** It smacks of Gestapo methods. I certainly object to it. There again it is conceived in rancor and hatred and that is why it is there.

**Mr. Higgins:** Mr. Chairman, I find myself somewhat at variance with my honourable colleague in that. I say if we are going to put it in at all, we should make it a little more extensive. Why prosecute the man who says he will open, why not prosecute the television or radio or newspaper proprietor who makes it possible to announce to the world he is breaking the law? Why should we prosecute the shopkeeper and make it an offence for a shopkeeper to say he will break the law and completely ignore the press or radio station owner who charges him a few dollars for making his illegal ideas public to the world. I would suggest that this section be amended to not only make it an offence (if we are going to make it the principle that it is an offence) but to include also people who provide the means whereby it is advertised. There is no provision here to provide for any punishment for the news media

which conveys to the public the indication that John Jones is going to break the law.

**Mr. Murray:** You should agree amongst yourselves.

**Mr. Higgins:** I know, but if you are going to have a law which provides punishment for a certain offence, how then differentiate between the person who says, "I am going to break the law," or the people who convey that intention to the public?

**Mr. Smallwood:** I will answer that — If a man makes up his mind to murder someone — that has been done — and he calls in a newspaper reporter — and that has been done — and he says, I intend to murder so and so — and that has been done. That reporter reports it to his paper, and the paper publishes the fact — that has been done — or the radio station broadcasts the fact — and that has been done — the newspaper or radio station, in that case, are merely (I won't say merely. It may be more than merely) publishing a piece of news — Undoubtedly, that John Jones says he is going to murder Bill Smith is a piece of news, that fact that he says so — and anybody who announces he will defy the law is thereby making news, and it is really quite something, if a Legislature is going to make it unlawful for newspapers or magazines or radios or television stations to broadcast or publish the news.

**Mr. Higgins:** As paid advertising?

**Mr. Smallwood:** It does not say as paid advertising. It says, where the man announces or causes to be announced the fact he intends to do such and such.

**Mr. Higgins:** And advertises.

**Mr. Smallwood:** It does not say it is a paid advertisement. For instance, merchants on Water Street decide to break the law, any law, this law or any law, they decide they don't like it, disagree with it, and they decide to break it, and they tell Station VOCM or CJON or CBC or the Daily News or the Evening Telegram or any publication, tell them in advance — Surely you are not going to make it unlawful for the newspaper or broadcasting station to publish the fact?

That would be certainly an attack on the freedom of the press, it would undoubtedly be an attack on the free press, it would be a diminution of the rights of the free press; and I would say that that would be a highly dangerous thing to do.

**Mr. Higgins:** Mr. Chairman, that is not the point I was trying to make. I would not like for a moment, to abuse the right of any human being to report any event, but I did say that if any radio station or any television station accepted as paid advertising the announcement of John Jones & Company that they proposed to break the laws — If John Jones and Company are liable for punishment for giving the advertisement I suggest it should be also made an offence for any news media to carry the advertisement as a paid announcement.

**Mr. Smallwood:** Only carry it then as unpaid?

**Mr. Higgins:** There is a difference. They would make a profit —

**Mr. Hollett:** Mr. Chairman, I don't know where we are getting in this house. It seems to me the argument put up by the Premier is far fetched. If a news media hears John Jones is going to break the law, I don't think it ought to be published. I think they ought to call the police or come perhaps to the Premier. I think it is the job of anybody who knows a crime is about to be committed to report it to the police, and not go on the air and say "so and so is going to murder John Jones tomorrow." Anyone who would put that in the newspaper, if somebody went up to them and said — "I am going to break into the Royal Stores tomorrow morning" —

**Mr. Smallwood:** They would be accessories before the fact if they did not, but they should be smart enough newspapermen to also publish it, but first acquaint the police.

**Mr. Hollett:** Nonsense. The newspapermen would think the fellow was mad anyway.

**Mr. Smallwood:** He might be mad, but could still commit a murder. They should tell the police, but also publish it in the newspaper.

**Mr. Hollett:** I agree with what my honourable friend on my left says about that— While we may not want to make it unlawful for a broadcasting station to broadcast “so and so is going to open his store contrary to law” — I mean if they find they intend to do it, they would have to report it to the police. After all, is not all lawbreaking punishable, and is it not the duty of all of us to report when we know the law is to be broken? — I think so.

**Mr. Smallwood:** Well we must not punish the newspaper for reporting that the law is to be broken, that is what is suggested —

**Mr. Higgins:** I mean to make a profit out of it.

**Mr. Smallwood:** News and advertising are sometimes hard to distinguish.

**Mr. Curtis:** Listen to a radio commentator any night, or on television, how do you know where the news stops and advertising begins? The whole thing is an advertisement, to look at it in one way. It is paid for by the sponsor. It is impossible to know just where the news begins and advertising ends.

**Mr. Duffy:** Mr. Chairman, I do not profess to know much about the law, but I have a little bit of intelligence, I suppose — I am trying to understand this — “make, print, advertise, publish or broadcast by any means including radio or television.” Now, I made the statement that would include “by word of mouth” — Is that correct?

**Mr. Smallwood:** Any means — It might be the deaf and dumb language.

**Mr. Duffy:** It is an attack on freedom of speech, in other words.

**Mr. Smallwood:** Does freedom of speech include the right to announce the right to break the law?

**Mr. Duffy:** If I say: — “I will open my shop on next Saturday,” I am guilty of an offence.

**Mr. Curtis:** Mr. Chairman, I move an amendment, in the third line from the bot-

tom there of Sub-section 16— “in default of payment to a term of imprisonment for one month.”

On motion, Clause 16 as amended, carried:

**Mr. Curtis:** Sub-Clause 17 I would like to enlarge this a bit. I do not think it goes quite far enough: — “When anyone makes, prints, advertises, publishes or broadcasts by any means, including radio or television, or causes or procures to be made, printed, advertised, published or broadcast by any means including radio or television any announcement (a) that a shop will remain open on any day during which no open hours are provided or (b) a shop operator remains open on any day during which no open hours are provided by or in accordance with this Act (c) a shop has opened or remained open on any day, whether before or after the coming into force of this section, during which no open hours are or were provided by or in accordance with this Act, or (d) an occupier of a shop has been convicted of an offence under Section 15, the Attorney General may apply to the Supreme Court or a judge thereof and on hearing the application the Supreme Court or judge thereof shall grant an injunction to restrain the occupier of the shop and any other person from opening or keeping the shop open on the day, if any, referred to in the application and any other day during which no open hours are provided by or in accordance with this Act.”

The effect of this amendment, Mr. Chairman, is to make application to the Supreme Court for an injunction in any of the following cases: —

- (1) Where an occupier announces that he is to be open and puts an advertisement in the paper that he is going to be open. In that case an injunction can be asked.
- (2) Where a shop actually opens or remains open on any day during which no open hours are provided, then an injunction can be applied for there and then.
- (3) A shop has opened or remained open any day on which no open hours are provided, after the coming into force — In other words he does not have to be convicted, the very fact he has opened in violation of the law on a closed day gives the right to ask for an injunction.
- (4) If he has been convicted, the effect of the



amendment is to make an application to the courts.

**Mr. Duffy:** As I said before, and I cannot help repeating it — the more I read this amendment and more convinced I am (as I said before and will say again) this was conceived "on impulse and with rancor" and without looking at it in a detached way, and an objective way, at all. A shopkeeper is penalized if he says he is going to open and then he is not permitted to open, so that he is penalized for an act he cannot commit.

**Mr. Curtis:** He is not penalized if he is forced to obey the law.

**Mr. Duffy:** If he says he is going to open he is punished, and then he is not allowed to commit the crime for which he is punished.

**Mr. Murray:** If a man announces he is going to commit a murder it is an offence, and if he commits it, it is another offence.

**Mr. Higgins:** Where is he going to get the necessary judges on a Statutory Holiday?

**Mr. Murray:** He goes to the Attorney General for authority to request an injunction. The law does not say the judge will be there waiting for the application.

**Mr. Higgins:** It may be an awful job to find

**Mr. Curtis:** It may not be — last week it was announced on Friday these shops were to open, and there was ample time to get a judge to give an order.

**Mr. Higgins:** But the position as envisaged there is where, without any announcement at all, a shop owner opens or remains open.

**Mr. Curtis:** In that case, they would have to get an injunction on the day in question.

**Mr. Hollett:** What happens to a man who defies an injunction?

**Mr. Curtis:** God help him

**Mr. Smallwood:** Better let the courts give the answer to that.

**Mr. Curtis:** He is guilty then of Contempt of Court.

**Mr. Smallwood:** What the honourable member for St. John's Centre does not seem to realize is that there is nothing necessarily sacred about the right to open a shop and make money, nothing necessarily sacred about it. It is not a "Divine Right," and therefore it must be subject to law.

**Mr. Duffy:** Of course.

**Mr. Smallwood:** That is what we are doing now, subjecting it to strict legal control.

**Mr. Duffy:** Reasonable law.

**Mr. Smallwood:** Reasonable and carried out, particularly when it is announced in advance they are going to break it.

**Mr. Duffy:** Someone once said, it is an excellent thing to have the strength of a giant, but a terrible thing to use it like a giant.

**Mr. Smallwood:** We are not using it like a giant. We could make it much more rigid than this.

On motion, sub-clause 17 carried:

**Mr. Higgins:** Mr. Chairman, in 18 we have the same business again. You remove from the magistrate the discretion which is inherent. I recall a statement being made that some of the magistrates are inclined to be so soft-hearted — That, Sir, hardly seems to me to be justification for taking away from the courts the inherent jurisdiction they always had to exercise discretion in cases — If it is merely a matter of assuring nobody would be prosecuted except somebody able to pay the fine; but there might be cases, such as we all run across, where people inadvertently break the law, and the magistrate should have some rights. I do not think we should too easily take away the discretion of the magistrates in these cases.

**Mr. Renouf:** Mr. Chairman, I wish to support my learned colleague. This I think is one more unnecessary and bad change in an ill-conceived amendment.

**Mr. Curtis:** I began to wonder, for what I

had in the papers, if I should look up the laws of evidence, and see what evidence should be taken in a case.

**Mr. Higgins:** I don't read all the paper. On motion, sub-clause 18 carried:

**Mr. Duffy:** On sub-clause 19 — "Prosecutions shall not be taken under this Act without the consent of the Attorney General." May I suggest, as I have already stated my views on the high feelings that were running when this was framed, that one of the "maharajahs or nabobs" or outlaws of Water Street, I don't think there is much hope for them — In other words we are not all equal before the law in this at all. The Attorney General can decide who will get the works as far as this Act is concerned, and I pity him; I tell you I would not like to be placed in that position.

**Mr. Smallwood:** He is in that position in fifty other Acts.

**Mr. Duffy:** That is the worst, the most serious of all.

**Mr. Smallwood:** That is the simplest of all — The Attorney General decides if a man should be prosecuted.

**Mr. Duffy:** As I said, I feel all people should be equal before the law, I move an amendment, "that this be stricken out."

**Mr. Smallwood:** The simple way is to vote against it, and you are doing the same thing.

**Mr. Duffy:** That is not enough.

**Mr. Smallwood:** Say "no" twice.

**Mr. Hollett:** Could the Attorney General tell us the necessity for it. If a man breaks the law, is it now a fact that he ought to be prosecuted irrespective of whom he may be? — The Honourable the Premier has spoken of a man committing murder or something like that — Then the Attorney General decides whether to charge him with murder or manslaughter — That is different. He has got to be charged with something. Here, after the police find a person keeps his store open and have to go to the

Attorney General, state all the evidence they know, and the Attorney General is put in the unfortunate position to decide whether or not prosecution should be taken. It puts the Attorney General in a rather unenviable position. That is the only objection I have to it.

**Mr. Curtis:** I think, Mr. Chairman, that would answer the fishing reel case — I don't know who wanted the fishing reel.

**Mr. Duffy:** It depends upon who sells it.

**Mr. Curtis:** Obviously, if the store is opened just for the purpose of selling a fishing reel, there would be no prosecution. On motion, sub-section 19 carried.

**Mr. Curtis:** Mr. Chairman, I would move that a new clause be added Clause NO. 3: — "This Act or any provision thereof shall come into force on a date to be fixed by proclamation of the Lieutenant-Governor-in-Council."

**Mr. Duffy:** Reason is prevailing to some extent on the other side. On motion, Clause 3 carried.

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

On motion, the Committee rose to report having passed the Bill with some amendments.

Mr. Speaker resumed the Chair.

**Mr. Clarke:** Mr. Speaker, the Committee of the Whole considered Bills No. 22 and No. 13 and directed me to report same with some amendments.

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

**Mr. Speaker:** Before putting the motion I would like to inform honourable members that the meeting of the Commonwealth Parliamentary Association, of which I spoke earlier today, will not take place this evening.

**Mr. Curtis:** I move, Mr. Speaker, that the remaining Orders of the Day do stand deferred, and the house at its rising do adjourn until tomorrow, Monday, at 3:00 of the clock.

On motion all further Orders of the Day stand deferred.

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

February 17th., 1958

(Afternoon Session)

The house met at three o'clock.

**Hon. J. R. Chalker** (Minister of Public Works): To a point of privilege, Mr. Speaker. This afternoon, over radio station "CJON", I heard a news item relating to my district, the district of St. Barbe, that stated a petition had been forwarded to me concerning the roads in the area of Flowers Cove and vicinity. They said that they had a copy of the petition, and nothing had been done about it. Now, Sir, the station did not say "nothing happened" but I took it to mean, Sir, that I had done nothing about it myself, personally. As a matter of fact, Mr. Speaker, I have as yet to receive that petition. I left my office this morning at the usual time, and there was not any petition from Flowers Cove available to me. I found since I came to this house, my secretary informed me, there are no petitions which have arrived for my consideration as yet. Sir, in case there is any misunderstanding, I would like to inform the people of my district that as soon as this petition or any other petition will arrive, it will be presented by me to this honourable house. I wish also, Mr. Speaker, to assure them that as long as I am representing the district, everything for their benefit will be taken care of.

**Hon. M. M. Hollett** (Leader of the Opposition): I take it, Mr. Speaker, the mails for Government members do not go to CJON before coming to the office, do they?

**Presenting Petitions:**

**Hon. M. M. Hollett** (Leader of the Opposition): I take it, Mr. Speaker, the mails for Government members do not go to CJON before coming to the office, do they?

**Presenting Petitions:**

**Hon. C. H. Ballam** (Minister of Labour):

Mr. Speaker, I beg leave to present a petition from the residents of Petries and Mount Moriah. This petition is signed by some one hundred and eighty persons in that area. They request that something be done immediately with the road leading from Petries Crossing to Cooks Brook. This road has gone into such disrepair that now it is impossible for traffic to get over it. It is a distance of about two miles. The school children who attend school in Corner Brook do not have the services of the school bus, and the people who are residents down there, who work at Corner Brook mostly, have to walk this two miles before they can pick up the bus, which terminates at Petries Crossing. Also, Mr. Speaker, this road is the connecting link with all of the areas on the south side of Bay of Islands, and it is virtually important to some several thousand people who live out in that area to have this piece of road in good repair. I heartily support the petition, Mr. Speaker, and request that immediate action be taken on this petition from these people. There is the road to be gravelled with crushed stone, and this is necessary immediately. I would recommend that an immediate start be made on this work, and that this section of road be included in any program of paving that might come up in the future. I beg leave to lay this petition on the table of the house and ask that it be referred to the Department to which it relates.

On motion, petition received for reference to the Department to which it relates.

**Mr. U. Strickland** (Bonavista South): Mr. Speaker, I beg leave to present a petition from the good people of Port Blankford, which I may say is signed by more than three hundred residents of that settlement. The prayer of the petition is that electrical power be extended to the Community of Port Blandford as quickly as possible. The petition, Sir, points out that Port Blandford is a very thriving community situated on the border of our national park, and they claim it will have something to do with the tourist industry in the Province in the not too distant future, and point out also they are only eighteen miles from Clarendville and twelve miles by road from Musgravetown. They request that the Government would give active consideration to granting the prayer of this petition. I heartily support the

petitioners' prayer, and pray it be laid on the table of the house for reference to the Department to which it relates.

#### Presenting Reports of Standing and Select Committees:

**Mr. Ballam:** Mr. Speaker, I beg leave to lay on the table of the house the report of the matters transacted by the Minister of Labour during 1957, under the provisions of the Labour Relations Act; and also the report of the Newfoundland Labour Relations Board for the year 1957; also a report of the progress of the Minimum Wage Board, established under the Minimum Wage Act, for the year 1957.

#### Giving Notice of Motion:

**Hon. L. R. Curtis** (Attorney General): On half, Mr. Speaker, of the Minister of Education I give notice I will on tomorrow ask leave to introduce a Bill—"An Act Further to Amend the Education (Teachers' Pensions) Act."

**Hon. J. R. Chalker** (Minister of Public Works): Mr. Speaker, I give notice I will on tomorrow ask leave to introduce a Bill—"An Act Respecting Mortier Bay Development Company Limited."

**Hon. B. J. Abbott** (Minister of Supply): Mr. Speaker, I give notice I will on tomorrow ask leave to introduce a Bill—"An Act Further to Amend the City of St. John's Act." I also give notice I will on tomorrow ask leave to introduce a Bill, "An Act to Empower the St. John's Municipal Council to Raise a Loan for Municipal Purposes by the Issue of Bonds."

#### Giving Notices of Questions:

None.

#### Answers to Questions:

None.

#### ORDERS OF THE DAY:

**Hon. M. M. Hollett** (Leader of the Opposi-

tion): Mr. Speaker, I wonder if the Honourable Minister of Labour could inform the house what time we are likely to get the Workmen's Compensation Board report?

**Hon. C. R. Ballam** (Minister of Labour): I am hoping to have it sometime this week, Mr. Speaker, but it is quite a big job and they have been working steadily on it now since the end of the year, and it requires time. We have to table a copy by Statute, but that is not until the 31st. of March, I think it is. But if we can get it ready, (I think we can) I will table it.

Second Reading of Bill, "An Act to Authorize the Lieutenant Governor-in-Council to Enter into an Agreement with Crown Zellerbach Corporation."

#### CROWN ZELLERBACH:

**Hon. J. R. Smallwood** (Premier): Mr. Speaker, if I wanted a text for for what I am about to say, I would quote from a speech made in this very chamber on the first of May 1905, by the Premier of the day, Sir Robert Bond. On the day Sir Robert Bond introduced into this house, standing pretty well where I stand at this moment, legislation calling for the establishment of a new industry in Newfoundland, the industry of the pulp and paper mill at Grand Falls. In the course of his speech Sir Robert said this:—"God and Nature have richly endowed this land with resources of various kinds. It was never intended by Providence that this land should forever continue to bring forth nothing but rank and useless vegetation, and that those rivers that may stimulate a production of national wealth should forever flow through solitude."

Then if I wanted a second text for what I am about to say I would take words uttered here in approximately the same point in this chamber, where I stand now, on the 13th. of June, 1923 delivered by the Right Honourable Sir Richard Squires, on the occasion of his introducing legislation which lead to the establishment of the second great pulp and paper mill of Newfoundland, Corner Brook, and known then as the "Humber Project." Sir Richard Squires said; "For more than forty years now, as the population of this country has increased, as its interior has become known, as its resources

have been disclosed to the mining prospector and forest cruiser, public men and other far-seeing citizens of this Commonwealth have been visioning the possibility of developing these resources so as to lessen the strain on the fishing industry, especially when the shadow of depression overshadows the world."

I hope, Mr. Speaker, that some day, not too many years distant, when some other Liberal Premier introduces legislation for the establishment of the fifth, or maybe the sixth, paper mill he may find some remarks in my speech of today worthy of repetition on that very notable occasion, thus preserving the historic continuity of Liberal Development policy in this House of Assembly. Now, the Bill before the house is one which gives authority to Crown Zellerbach Corporation of the United States to arrange to build a great pulp and paper industry in Newfoundland. I thought, Mr. Speaker, I could do no better at the outset than to describe to this house the nature and dimensions of the Corporation with which we are dealing, the Crown Zellerbach Corporation. This Corporation was formed as recently as 1928 by the fusing or merging of two large companies, the Crown Willamette Paper Company and the Zellerbach Corporation. Each of these two firms was very large, very diversified, very wealthy and each of them very successful. Each of these two great American Corporations had a history of its own, a history going back a great many years, so that the continuation of the two now known as Crown Zellerbach Corporation reaches back for well over half a century, and indeed in some cases, three-quarters of a century in American industrial history.

Let me take first what I would say was the smaller of the two corporations, i.e., the Zellerbach Corporation. This company had its origin in San Francisco, eighty-eight years ago, in 1870. It was founded by a man named Anthony Zellerbach. Mr. Zellerbach formed a small enterprise dealing in paper, buying and selling various grades of paper. He had pretty consistent success, so that, by 1906, Mr. Zellerbach had eighteen different offices and salesrooms on the Pacific Coast of the United States. By 1914, they began the manufacture of paper and formed a company known as National

Paper Products Company, with a mill of their own in San Francisco, making paper towels. They were one of the pioneers in the world in the manufacture of paper towels. That mill in San Francisco was followed quickly by the acquisition of another mill, also in California, in the town of Stockton. Then, in 1918 Mr. Zellerbach purchased a tissue paper mill at Carthage, in the State of New York. In 1919 he formed the Washington Pulp & Paper Corporation and built his first newsprint paper mill. That was at Fort Angela, in the State of Washington, on the Pacific Coast. In 1927, he formed the Fibreboard Products, Incorporated, for the purpose of buying and merging several mills and converting plants that already operated on the Pacific Coast, and through his Fibreboard Products, Incorporated, he acquired ownership and control of these several other mills. In that same year, 1927, he formed the National Paper Products Company and through that company he built a mill at Port Townsend in the State of Washington, to manufacture craft board and craft paper. In the following year, 1928, (when he merged with the Crown Willamette Paper Company, when the famous merger took place between the two great corporations) by that time, the Zellerbach Corporation was quite large and brought into the merger the Zellerbach Paper Company, the Washington Pulp and Paper Corporation, the National Paper Products Company, and Sanitary Paper Products Company, four large and successful companies.

But, Mr. Speaker, by far the greater of the two corporations was the Crown Willamette Company. The Crown Willamette part of this merger dates back to 1877, when the California Paper Company was formed, and built its own news print paper mill in Stockton, California. In 1889, the Willamette Pulp and Paper Company was formed and built a mill at West Oregon City, in the State of Oregon. Then a pulp mill was built at Young's River in the State of Oregon. In the same year, 1889, a Crown Paper Company was formed to build a sulphite groundwood mill near the mill of the Willamette Pulp and Paper Mill at West Oregon City. In 1889 they formed the Floriston Pulp and Paper Company which built a sulphite groundwood paper mill in

the same year. In 1905 the Crown Paper Company and the Columbia River Paper Company were merged and became known as Crown Columbia Pulp & Paper Company.

In 1914, there was quite a series of these mergers; the Lebanon Paper Company and Willamette Paper & Pulp Company merged with Crown Columbia to form Crown Willamette Paper Company. The new company thereby, in 1914, became the second largest paper manufacturer in the world. As early as 1914 this Crown Willamette Company formed a Canadian subsidiary, Pacific Mills Ltd. at Ocean Falls, British Columbia. This company owned a pulp mill and a large saw mill, and they soon afterwards built a new paper mill. And, just before the big merger in 1928, the Crown Willamette Company acquired the Western Waxed Paper Company of Portland Oregon, whose plants were at North Portland, Oregon, Parkland, California and Los Angeles, California. In addition to these, Crown Willamette had other subsidiary companies.

These then, Mr. Speaker, were the two giants of the pulp and paper industry that came together in 1928 to form the famous corporation with which we are dealing today in this legislation, the Crown Zellerbach Corporation, who are now the second largest company in the world producing pulp and paper. The largest company in the world in that industry is the International Paper & Paper Company and the third largest in the world are the Bowaters Organization. With Crown Zellerbach in the Province we will thus have operating here the world's second and third largest pulp and paper organizations.

Now, I have described the remarkable growth of these two great corporations before they merged. Since their merger, their growth has been almost phenomenal, since 1928. In 1950 Crown Zellerbach, through its Canadian Subsidiary, Pacific Mills Limited, joined with Canadian Western Lumber Company to form Elk Falls Company Ltd. to construct a newsprint paper mill on Vancouver Island. This mill came into operation just two years later, in 1952, and is today one of the best known paper mills in Canada.

In 1953 Crown Zellerbach acquired control

of Canadian West Lumber Company and of the St. Helen's Pulp & Paper Company of Oregon. Canadian West Lumber Company have been active in British Columbia since 1883. They are not only one of British Columbia's oldest concerns, but they are one of the largest lumber producers in the world today. In 1954, Crown Zellerbach's Canadian subsidiary, Pacific Mills Limited, was changed in name to Crown Zellerbach of Canada Limited, by which name it is so well known today.

In 1955 the great Gaylord Container Corporation of the United States was absorbed by Crown Zellerbach. I should say a word about Gaylord. They too, by 1955, were the end result of a series of mergers. In 1920, Robert Gaylord merged his own firm with the J.C. Bulis Company of St. Louis, and grew rapidly from that point. In 1934, they acquired another company manufacturing folding carbons and in 1937 they absorbed the very big Bogalusa Paper Company. The Bogalusa Paper Company was founded in 1902 at Bogalusa, Louisiana, and at one time operated the largest saw mill in the world. In 1954, Gaylord absorbed the Fairfield Paper & Container Corporation, and in the same year absorbed the Derseen Paper Mills Company.

When Crown Zellerbach acquired Gaylord Container Corporation in 1955, Gaylord owned great forests of timber, three paper mills, sixteen paper converting plants and sixty-two sales offices through the United States of America, so that Crown Zellerbach obviously became bigger than ever by their acquisition of Gaylord Container Corporation. In 1956, Crown Zellerbach bought out the Waxide Paper Company of Kansas City. That company owned mills in Kansas City, St. Louis, and its products were being marketed all the way from the Rocky Mountains to the Atlantic. Crown Zellerbach's newest venture is a large new paper mill now nearing completion at St. Francisville in Louisiana. This mill will manufacture machine-coated paper for "Life", "Fortune" and "Sports Illustrated" Magazines. Mr. Speaker, in the eleven years since the end of the war Crown Zellerbach have spent around two hundred million dollars to modernize and expand their facilities. I think, in all probability, it will interest the

house to know that Crown Zellerbach is owned by approximately thirty thousand shareholders; and it is really much more than that, for of the thirty thousand shareholders seven hundred and sixty nine are not individuals but institutions. These include colleges, clubs, lodges, foundations, insurance companies, newspapers etc. bringing their actual shareholders probably far in excess of one hundred thousand different individuals.

Crown Zellerbach owns and operates eighteen pulp mills, fifteen paper mills, thirty-three pulp and paper mills, fifty-eight machines (producing fifty thousand five hundred tons of paper a day) or about three times as much as Corner Brook and Grand Falls produce between them. Of this vast quantity of paper, one-quarter is newsprint such as Corner Brook and Grand Falls manufacture. The remainder is made up of quite literally hundreds of different kinds of paper; printing paper, book, magazine, writing, carbon, typewriter, wrapping, waxed, tissue paper, towels, parchment, craft, fruit wrappers, paper bags for vegetables, flour, feed, cement, gypsum, lime, fertilizer, frozen foods and dozens and scores of other types and kinds of paper. They sell their newsprint to one hundred and twenty-five daily, and twenty-four weekly newspapers, published for the most part on the Pacific Coast and in the Rocky Mountain States. They sell as well in Australia, New Zealand, the Orient, South Africa and throughout South America.

Crown Zellerbach pulp and paper mills are situated at Baltimore, Ohio; Bogalus, Louisiana, Camas, in the State of Washington; Cartage, New York; Dresden, Ohio; Elks Falls, British Columbia; Lebanon, Oregon; Ocean Falls, British Columbia; Port Angles, Washington; Port Townsend, Washington; St. Francisville, Louisiana; St. Helen's, Oregon; West Linn, Oregon; Antioch, California; Los Angeles, California. Their paper converting plants are situated at North Portland, Oregon; San Leandro, California; Los Angeles, California; St. Louis, Missouri; Atlanta, Georgia; Beaver Falls, Pennsylvania; Dallas, Texas; Greenville, South Carolina; Houston, Texas; Jersey City, New Jersey; Miami, Florida; Milwaukee, Wisconsin; San Antonio, Texas; Tampa, Florida; Weslaco, Texas; Van-

cover, British Columbia; and they have eighty retail lumber yards in Alberta and Saskatchewan, because of course, their Canadian Western Lumber Company is one of the very largest in the whole world. Crown Zellerbach are also the owners and operators of two plywood and veneer mills and three large chemical mills. It will interest the house to know that the products of their Canadian Western Lumber Company are sold in the United Kingdom, South Africa, Australia, Belgium, British West Indies, Denmark, France, Egypt, Hawaii, the United States and Canada.

Mr. Speaker, two years ago Crown Zellerbach employed, directly on their payrolls, twenty-six thousand employees, and their wage bill for that year, two years ago, was over one hundred and thirty million dollars for the year. Incidentally, over five thousand of those are employed in Canada. Their total sales this present year will run to over five hundred million dollars; half a billion dollars in sales for the year. Mr. Speaker, I think from what I have said there can be no doubt left, if there was any at the outset, of Crown Zellerbach, there can be no doubt, if there was any at the outset as to the diversified character of Crown Zellerbach, both as to the product they manufacture, and as to the areas in which they manufacture and in which they sell. I think there can be little if any doubt left in the mind of the house as to the importance of this corporation. It is with this corporation that we are dealing in the legislation before us today.

Now, Sir, what the Crown Zellerbach Corporation want to do is something of this order:- In British Columbia and the American Pacific States of Washington, Oregon, California, they are probably the greatest holders of timber to be found; they are probably the greatest operators of pulp and paper mills to be found. They have it is true, by the purchase of other companies and by absorbing a good many companies who in turn were the owners of a good many mills, they have by this means extended and expanded eastward and southward in the United States. In the northeastern United States they have, so far as I know, only one mill, a relatively small mill in the State of New York, but no where else in what we call the Eastern portion of the United States, and certainly in the eastern portion of the

United States, and certainly in the eastern three-quarters of Canada have they any manufacturing facilities. We think of Crown Zellerbach as being primarily a great corporation on the Pacific Coast of the Continent (in both countries) who have, however, expanded to the south and the southeast but not the east nor to the north and not to the northeast; and who, now having become as big perhaps as it is possible for them to be in that part of the Continent, they desire still further expansion, and have no choice before them but to come to the Eastern Seaboard and especially the North Eastern Seaboard of North America. If Crown Zellerbach are to have the kind of expansion which alone would interest so mighty an industrial organization, so mighty an industrial and financial organization, then they have no choice but to come, (we hold and we believe,) to the Northeastern area of North America, and that means Newfoundland and Labrador. They have no choice but to come here, because of the fact that it is only here in Newfoundland and Labrador that there exists the timber they need in the quantity which alone will interest them. They are not interested in a few thousand or a few hundred thousand cords of wood a year.

Just what is this Crown Zellerbach project? Assuming that their studies and surveys can convince them of the soundness of the project, what is the most we can expect them to do in this Province? The answer to that question is simple enough. They will build, own and operate, here on this Island of Newfoundland, a great pulp mill manufacturing two thousand tons of pulp, practically, every day of the year, and indeed every day of the year except Sundays, Good Friday and Christmas Day, New Year's Day and Labour Day, and one or two other days of the three hundred and sixty-five days. They will build, own and operate a newsprint paper-mill (manufacturing in all probability, about five hundred tons of newsprint paper practically every day of the year, on the same days on which they manufacture pulp. Now, it may give the house some idea of the size of this proposed newsprint mill when I say that the newsprint paper mill operated in Corner Brook in 1925 had a daily capacity of four hundred tons of paper; the great Corner Brook

Paper Mill. In that same year the Big Grand Falls Paper mill, which had been running from 1906 or 1907, had a capacity of two hundred tons of paper a day; as recently as 1925. How long will it take Crown Zellerbach to reach these maximum figures of two thousand tons of pulp a day and five hundred tons of paper a day? I cannot answer that question, and even Crown Zellerbach themselves cannot answer it; maybe within ten years, or it may take as long as thirty years, to reach the full and ultimate object. Nobody knows, but as you would expect, a strong, successful concern to do, Crown Zellerbach has insisted that they should not be rushed, but that they should rather be given ample time to reach these ultimate objectives, and as you would further expect, they insist the attainment of these ultimate objectives shall be reached stage by stage, step by step, in a series of unfolding developments. We have been impressed, time and again, by the grandeur of the concept. The stages of the development in this Province is as follows:—

They have two years within which to make their decision on the newsprint paper mill. From the date on which they announce to us their decision to build that mill, from that date, they have three years in which to build it and get it operating. From the moment they have notified us of their intentions to build the paper mill in Newfoundland, from that moment, they are entitled to receive from us an exploration lease of the timber stands on the Crown Lands of the South East Corner of Labrador. That lease would be for a period of twelve years from the date of the agreement, or ten years from the date of their notifying us of their intentions to build the paper mill. Assuming they take the full two years before so notifying us. During that period of ten or perhaps twelve years, all the timber on Crown Lands in that part of Labrador is reserved and held from any claim by anyone else. Before that period expires, they are obliged, Crown Zellerbach are obliged, to notify the Government of their intentions to bring their production of pulp to at least five hundred tons a day. If they do so, they have to complete and operate that pulp production within five years from the date of notification. If they fail to notify us, they have to give up all their timber rights in



Labrador. But if they do so notify us, and do so increase their pulp production capacity, then, within five years of that, they have to raise their production to one thousand tons per day. If they having done so, they do not then, within another five years, raise their daily production to fifteen hundred tons of pulp, their timber concession in Labrador will be limited to an amount of timber sufficient to support the fifteen hundred tons or one thousand ton figure, whichever they will have reached. If, however, on the other hand, they notify us, within another five years, of their intention to raise the daily production to two thousand tons of pulp a day, then they will be given the final ninety-nine year renewable lease on the whole timber area of that part of Labrador already described.

Mr. Speaker, if this Bill passes this house and becomes law what will happen on the Island of Newfoundland is this:—

Two surveys will be started almost at once. The first of Crown Zellerbach's engineers will be here before the end of this month, in Newfoundland. They will open up offices, and obviously they will lay their plans for their work to be commenced at once. Two surveys, I say, will be started almost at once. One of these will be conducted by the Crown Zellerbach people themselves. They will cruise the timber stands on the Crown Lands of this Island of Newfoundland, to satisfy their own minds as to the quality and quantity of the timber here on this Island. They will make a very careful study; an extremely thorough going engineering survey and study of these timber stands, and of all the problems that may be involved in the cutting, driving, transporting by truck or by ship, or by rail, or by any other means from the forests to the mill. These surveys will also be applied to possible sites and townsites for the proposed enterprise. They will have to be extremely thorough-going and complete. They will make studies of our supply of labour; labour costs and labour conditions. They will study the potential supply of electricity, where the electricity would be developed, what it would cost to develop, what it would cost laid down at the paper mill, and at the pulp mill, and everything else connected with electricity. These studies will also cover the very important question of the supply of fresh water

for the mills, and for the town that would spring up around their mills.

The other study and survey would be made by the Government of Newfoundland, and they would be made for the purpose of determining just what timber we have growing on Crown Lands on this Island. We would have to employ teams of timber cruisers who would do the actual crushing on the ground; we would probably have to employ an airplane photographic concern to photograph the stands of timber from the air. We would probably discharge these duties by employing a firm of professionals to carry out the work on our behalf. All this work would be done by us, or on our behalf, for the purpose of enabling us, that is enabling the Government of Newfoundland, to divide the timber on the Crown Lands of this Island into two separate and distinct lots. The first lot would consist of many, many blocks and patches and groves of growing timber dotted all around this Island. These patches and groves of timber would lie for the most part in behind the settlements along our coastline, for of course they would be the stands of timber which the Government would earmark and reserve for the public use. These would be the sources of wood for small saw mills, fishing material for flakes and stages and other fishing purposes, as well as firewood and fencing and the other needs of our Newfoundland people.

The second part to which all the timber growing on Crown Lands of Newfoundland would be divided would show that we were prepared to pass over to Crown Zellerbach for the support of a newsprint paper mill producing four hundred or five hundred tons of paper a day. It is clear that of these two lots, the lot that would be reserved for the paper mill would be far and away the greater in size and in the volume of wood growing on it.

The house is doubtlessly aware of the fact that, about three years ago, the Government made an agreement with the Anglo Newfoundland Development Company of Grand Falls and Bowaters Newfoundland Pulp and Paper Mills at Corner Brook under which the three parties, (these two and we) would each pay one-third of the cost of having a complete forest inventory made on the Crown Lands of this Island.

The three of us jointly engaged the services of the Jenkins Organization for this purpose, and the survey has proceeded during the past two years all around the Avalon Peninsula, and a small section outside the Peninsula has been completed. As the two paper companies have notified us that, for very good reasons, they were withdrawing from the arrangement so that the Government will have to bear the full cost of the completion of this survey, for the remainder of the survey. We are confident, by the way, that the Crown Zellerbach Corporation will share with us in the cost of completing the survey if, as, and when, they decide to go ahead with the construction of their paper mill on this Island.

Within two years following the adoption of this legislation, (within two years of that but not necessarily taking all of the two years, but within the two years) not more than two years from the adoption of this Legislation, Crown Zellerbach are obliged, under its terms, to notify the Government of their intention either to proceed at once with the construction of their newsprint mill on this Island, or to abandon the whole proposition, in which case they lose all rights absolutely in the Province, including in Labrador. If their decision is to proceed with the construction, then, under the terms of this agreement, the Government are obliged to give to Crown Zellerbach a ninety-nine year lease, renewable for ninety-nine years, on Crown land of Newfoundland, (i.e., the Island of Newfoundland,) which have been reserved during the two years for the purpose of the newsprint paper mill. I hope the house follows that clearly — within the two years, two surveys will go on simultaneously, one by the Government to enable the Government to take out from the timber growing Crown lands on this Island, that which it does not intend Crown Zellerbach to get; to take it out and delimit, put boundaries around the actual trees themselves that we intend to reserve for public purposes; and all the remainder of the forests growing on Crown lands would constitute the second part. It is that second part which Crown Zellerbach, if it proceeds with the construction of the paper mill, is to get for ninety-nine years, renewable for a second ninety-nine years.

Actually, what we are prepared to give to

Crown Zellerbach on the Island of Newfoundland is such portion of the Crown lands as they may want, after we have reserved these patches and groves of timber that I have already described for public use. Crown Zellerbach would have the sole use of the timber growing on the area which would be related to them. The Government would reserve all minerals and mineral rights, including oil and natural gas, or any other resources which might exist below the surface of the land; all sub-surface rights are reserved to the Crown. The Government would also reserve the water power that might be found on the land. The water power on the land does not go to Crown Zellerbach. All that Crown Zellerbach would be getting, really, would be the sole exclusive right to cut timber on the area in question.

They would, of course, have the right to build roads through their areas for their own pulp wood, but so would the Government of Newfoundland, for public purposes. The Government would retain the right it already has to grant parts of such lands, such Crown lands, ceded or leased to Crown Zellerbach, for such purposes, purely public purposes, as churches, schools, cemeteries, farms, towns or cities, provided always that any timber coming off such areas would belong to Crown Zellerbach, or rather that Crown Zellerbach would have the first right to acquire such timber. The public right to fish, hunt, shoot, traverse, navigate or otherwise go over the land containing this timber is carefully preserved in this legislation.

Now, Mr. Speaker, within these two years immediately following the adoption of this legislation, Crown Zellerbach, while very busily engaged upon their surveys and studies upon the Island of Newfoundland itself, will have been far from idle on the Peninsula of Labrador. There, after all, is where they will have to obtain by far the greater part of the enormous quantity of pulp wood timber they will need to carry on these various enterprises. If they get one-quarter of a million cords a year on the Island of Newfoundland, to support their newsprint mill, it is probably about as much as they can hope to get; unless we give them all there is on the Crown lands on this Island and leave the public with none, which no

one is willing to contemplate. They want to take approximately a million cords a year from the Labrador. Sir, we firmly believe (in the Government) that there is enough growing timber in that part of Labrador with which this legislation deals, to yield up, each year, a million cords of excellent pulp wood. We believe that there is enough to yield up a million cords a year for many generations to come, without exceeding the amount that ought to be cut, according to sound forestry practices. We believe that this million cords a year can be obtained and still leave enough to allow another thousand cords a year to be taken by Grand Falls and Corner Brook mills between them each year, to support any physical expansion they may make in their respective mills. We believe further, Mr. Speaker, that all of these purposes can be achieved, and that there can still be enough timber left in Labrador, (in that part of Labrador with which this legislation deals) to supply all the foreseeable needs of the people themselves who live in that part of Labrador.

Now, while Crown Zellerbach and this Government are busily engaged in the next year or two making these surveys on the Island of Newfoundland, Crown Zellerbach will be equally busy making surveys in Labrador. These surveys will, of course, be more restricted in character, and will be confined largely, if not entirely, to the question of pulp wood. They will have to satisfy themselves (by the most precise and thorough-going surveys and studies) of the amount of timber actually to be found in that part of Labrador, of how thickly it is growing, how many cords there are to the acre, the average size of the trees, the proportion of the forest made up of black spruce and of fir, the annual growth of the trees, the nature of the terrain where the forest grows, the ease of difficulty to maintain woods roads, booming, the wood-holding grounds for the booms, the problems of logging, shipping and a hundred other facts and factors which have to be studied with the utmost care and attention.

It is a notable fact, Mr. Speaker, that the Crown Zellerbach people are renowned in the pulp and paper industry of the world, for the great thoroughness and efficiency with which their investigations, surveys and studies have always been made. I think we

may safely assume that, throughout the calendar year and perhaps for part of next year, the whole question of newsprint paper manufacturing in Newfoundland, as well as the question of pulp manufacturing in Newfoundland, together with all the attending and actual problems associated with such surveys, will receive the most thorough going survey and study ever seen in this Province.

Mr. Speaker, in simple outline of the Crown Zellerbach project, they Crown Zellerbach have given me and my colleagues their honest estimate of the number of people who would be employed by them, should the project mature as they expect it to do. Mark my word, should it mature; should it reach it's ultimate objective — indeed, I put the question to them, and after their various vice-presidents in charge of production, woods operations, paper-mill operations and the like had conferred, they gave me their estimate — they informed us that there would be nearly four thousand men working in and around the paper mill and the pulp mill, and another five thousand men in and around the woods. I think it is perfectly realistic to anticipate that the wage rates paid will be the same in the Crown Zellerbach mills and Crown Zellerbach forests as those of the Anglo-Newfoundland Company at Grand Falls, and the Bowater Company at Corner Brook. If this is a fair assumption, it will mean a total wage bill of over thirty million dollars a year to be paid out by Crown Zellerbach, if, as and when their project is finally realized. It would, of course, have upon our Newfoundland an effect that it is very difficult to imagine at the present time.

The construction of these two mills in Newfoundland would, it appears, result in the birth and growth of a new town that would probably exceed Corner Brook in size and population, and become Newfoundland's second city. I may say, quite frankly, that I had no idea where this town will be, or where the two mills will be built. I do feel quite confident that it will be somewhere in Placentia Bay or Fortune Bay or Bay d'Espoir; but only the engineers, of course, can give the answer to that. I even doubt that Crown Zellerbach themselves, their board of directors, and their top management know at this minute where they will

build these mills, if they build them. That decision will be taken by them and them only, by the top management and directors of Crown Zellerbach; and they will take it upon the basis of engineering facts which will be gathered for them, not by the Government, but by their own engineers. Crown Zellerbach will not be moved in the slightest by any political consideration, any considerations short or apart from straight engineering and economic considerations. They will build these mills, if they do build them, upon the basis of the information their engineers gather for them — It is a sound and safe thing to do. They will build them where they will build them upon the same kind of advice and information.

Now, Mr. Speaker, I would like to say a word under the heading of taxes:— I take considerable satisfaction from the fact that we have been able to obtain a dollar a cord stumpage for all pulp wood cut. This will be the first stumpage paid by any paper mill in the history of Newfoundland, paid to the Government of Newfoundland. A million cords a year, this would obviously amount to a million dollars a year coming into the Treasury. Now it is provided in the agreement that in the first two years after the adoption of this legislation, in those two years they will pay no royalty nor stumpage nor anything else in the way of taxes, on timber cut during the period of exploration lasting for a maximum of two years — They pay nothing on that — It is provided further that after they have notified us of their intentions to build the paper mill, they will pay fifty cents a cord royalty on the first nine hundred thousand cords they will cut; that is to say, the full one dollar a cord will come into effect only after they have notified us of their intentions to build the mill, and thereafter not until they have cut the first nine thousand cords. This means, in brief, that on the first nine hundred thousand cords they cut they will pay fifty cents a cord rather than one dollar, or a total of four hundred and fifty thousand dollars. This amount is expected to go a long way toward repaying the Crown Zellerbach Corporation for the outlays they are obliged to make to get complete clear title to the area where certain private interests have carried on some activity in the last two or three years; and at the same time, enable

Crown Zellerbach to reimburse themselves, at least in part, for the annual expenditure they will have made on physical surveys and explorations, and on studies during the first two year period. After the adoption of this legislation, Crown Zellerbach will, of course, be subject to whatever Federal taxes there may be of general application in Canada. They will also be subject to pay a fair share of the municipal taxes there may be, wherever their property is located. This is extremely important in the light of certain exemptions made in early legislation on paper mills.

There is a limitation on this latter obligation to pay taxes to municipalities. They are not to be subject to any rates of taxes that may be imposed on them by any municipality — There is not an unlimited right on the part of the municipalities to impose municipal taxes. We do not think it would be fair to subject them to this possibility, and we have therefore inserted a clause which, in effect, set up the same general system that has been put into effect in a good many industrial centres across Canada. This plan provides that the combined industries within a municipality shall pay a total between them of not more than forty per cent of all the taxes levied within that areas by the municipal organizations concerned. In the case of Crown Zellerbach, they will probably be the only industry within the municipality and they will thus be paying the full forty per cent of the total revenue of that municipality. In the case of Corner Brook, the house will remember, they were given complete exemption from all municipal taxes forever — (forever) — We do not agree with this type of exemption. We have agreed that Crown Zellerbach shall be exempted from paying the three per cent Social Security Assessment on their original plant and equipment, coming in to establish the industry, on additional machinery or equipment that they may bring in later, for the purpose of expansion to increase their production. They will, however, be obliged to pay the three per cent Social Security Assessment on all replacements and on all ordinary, day to day, goods and machinery and equipment used in their production. This is the same as is the case now in Grand Falls, but it is entirely different from the case of Corner Brook. In Corner Brook, the

company pays no three per cent Social Security Assessment and they are liable to no municipal taxes. In Grand Falls, on the other hand, the company is liable to the Social Security Assessment — I cannot speak from memory of the position regarding municipal taxes, but I would imagine, without actually knowing, that the Anglo-Newfoundland Company are not exempted from the payment of municipal taxes. The exemptions (shown in the case of Crown Zellerbach) from the payment of the Social Security Assessment, three per cent, will apply only to their original capital goods and any additional capital goods brought in later to increase their production.

Now, Mr. Speaker, I think I have pretty well covered the main points of the agreement. In conclusion may I say one or two things:— The Attorney General and the Minister of Education (who was here a moment ago) and I sat in for a week with the Crown Zellerbach directors, at San Francisco, and since that time we have been on the phone pretty frequently between St. John's and San Francisco. Mr. Pushie, the Director General of Economic Development, has been more than once to San Francisco, and he has come very frequently into very close and intimate touch with the directors of that great corporation, and we all agree on one thing: — We all agree that, although Crown Zellerbach are very hard bargainers, although they seemed practically always to be completely adamant in stating their needs and their requirement and their demands in this Province, we have agreed that they undoubtedly want to come into Newfoundland, that they undoubtedly hope and pray, even pray, that they will find, after making their investigations, that the facts are favourable to their project.

We all agree on that. We have no doubt at all about that. It is quite clear that Crown Zellerbach want to come in here, they want to find that the facts are favourable, they want to build this paper mill, they want to build this great paper mill. It is quite clear — We have not any doubt about that — If we are wrong on that, we are terribly wrong, we are terribly mistaken in our impressions. It is not that they have said that. They have never used any such words as these to us, "they are terribly anxious" to come in here, that they are particularly anxious to find

that the facts will be favourable to their plans and their project, as described. They have never used these words. But we have dealt with a great many people, and we believe that we can form an impression now of what are the genuine intentions of the people we are dealing with in a matter such as this. We believe that. We are quite certain that that is the desire of Crown Zellerbach. Now, in fact, we know perhaps more than they think; no more, perhaps, than we are supposed to know — We do not say for a moment that they are going to build this paper mill next year. We don't say for a moment that they are going to build the additional pulp facilities the year after. We do not think that this is going to be reached in the next four or five years, a two thousand tons a day pulp mill and a five hundred tons a day paper mill — We do not think so — On the other hand, we are extremely doubtful that twenty or thirty years will pass before they reach their maximum development.

Now, Mr. Speaker, it would be very pleasant, for me at least, and I imagine for all my colleagues and friends on this side of the house, if I could come in here and give a categorical word from Crown Zellerbach that they will reach all these objectives in the next four, five, six or eight years. That would be extremely pleasant. Yet, on second thought, when you consider that this great corporation are coming in to what is for them an entirely new area, entirely new — (For seventy or eighty years they and their predecessors have been operating on the Pacific Coast of North America now not only to come to the Atlantic Coast but the northern part of the Atlantic Coast, about which they have still an awful lot to learn) — It would, on second thought, not be a reassuring thing if they were to tell us they expected to reach their maximum, their ultimate development, in a short number of years. It is more reassuring and more satisfying to find them first of all fighting every inch of the way, as they have done, to get the maximum they can get in concessions, and secondly, insisting on having lots of time, lots of elbow room within which to take each successive step from the beginning to the end. These two facts put together, the fact that they are hard bargainers, the fact that they insist upon having lots of time within

which to step up the production of their pulp from five hundred tons a day to two thousand tons a day and from a thousand tons a day to fifteen hundred tons a day, and from five hundred tons a day to two thousand tons a day; they demand the right to take, if they want to, as much as thirty years to do that. The fact that they do that is no indication of a "fly-by-night" concern, anxious to get concessions at any price. It is an indication, rather, that we are dealing with extremely solid and substantial people who will not be rushed one moment faster than the market that they are to supply and they are to occupy will permit them to do. On the other hand, having said that, may I say that we are all of us, convinced, (those of us who have had actual negotiations with Crown Zellerbach) we are all convinced they will build just as rapidly as they can develop markets to absorb both the newsprint paper and the pulp that they will manufacture in Newfoundland.

May I take this final opportunity today to express the admiration that I feel, and that my colleagues who have seen him in action feel, towards the Director General of Economic Development, Mr. Pushie. His service to Newfoundland in these negotiations has been of the highest class, the highest order. It is true that he was accompanied on his last visit to San Francisco by a very high ranking legal man from the Attorney General's Office in the person of Mr. Greene; and it is true he was accompanied also by a very high ranking official of the Department of Mines and Resources, the Deputy Minister, Mr. Murray, and it is true that others were there. But it is also true, Mr. Speaker, that Mr. Pushie's part in these negotiations was valuable, and it was a revelation to all of us, because Mr. Speaker, when the house gets into Committee of the Whole and examine this agreement, examine the terms of this legislation, the house will find that Crown Zellerbach are indeed hard bargainers. But let me say that what is in the written word is mild and harmless compared with what they drafted themselves, from their own drafts. We fought every inch to get some fifty odd, (more than fifty,) demands of Crown Zellerbach removed, and they did not agree to the removal of these demands with ease; they did not agree with any alacrity, they

agreed only because we fought every inch of the way. The actual negotiating on the spot was done by Mr. Pushie. You know it is true he would take the phone and call St. John's from San Francisco, and talk to me, and state the case. I would talk to my colleagues, get their advice and pass it back to Mr. Pushie. Many a time we gave him orders to take this or that stand, which must have been very embarrassing and perhaps even humiliating for him — but he knew he had the backing of the whole of the Cabinet and he acted accordingly. Now I pay this high tribute to him because he deserves it and a lot more, and if these two mills are built and a new town is built, then the people who get jobs in these mills and in the woods and in the town might spare a kindly thought for the man who did the tough bargaining in the City of San Francisco.

Mr. Speaker, it is with great pleasure indeed, and great pride, on behalf of the members of this Government and the members of this party of this Government and the members of this party that I move second reading. The pleasure is all the greater because I know, I know in my heart, that the Honourable Leader of the Opposition, and his colleagues too, will support this legislation with practically the same enthusiasm that comes from this side of the house.

(Applause from Opposition and Government side of the house).

**Hon. M.M. Hollett** (Leader of the Opposition): Mr. Speaker, may I ask to have an adjournment of the debate until tomorrow? On motion, debate on second reading adjourned until tomorrow.

On motion, the house recessed for ten minutes after which Mr. Speaker returned to the Chair.

Second Reading of Bill, "An Act Further to Amend the Judicature Act."

**Hon. L.R. Curtis** (Attorney General): Mr. Speaker, last year this house passed an amendment to the Judicature Act, but it was not the amendment that I asked for and which had been passed by the Cabinet. Newfoundland, I think, is the only Province in Canada where a plaintiff can attach property of his defendant before judgment is given. It is a survival of the old days

when the merchants were able to go and take a man's fish before getting judgement, less he sell that fish to some merchant. Actually, I do not like it at all. I would like to wipe out the whole idea of attaching a man's property before you get judgement against him. It is abhorrent. Nevertheless there are times when it can be made useful — The amendment before the house now restricts the use of the attachment to cases where it is absolutely certain it can be exercised without injuring anybody. I am dealing first with the last part of the Bill, Mr. Speaker — The position now is this — In certain cases where a creditor is about to leave the country or is about to dispose of his property, in these cases it is possible to have him arrested.

**Mr. Hollett:** You say "the creditor."

**Mr. Curtis:** The creditor can have his debtor arrested if his debtor owes him money and is either about to make fraudulent disposition of the property or leave the country — He cannot be arrested, of course, for default. Now, this Bill would do the same thing, make the same provision for attachment — If a debtor is about to leave the country and so default, or if the creditor feels the debtor is about to dispose of his property and so make it impossible for him to pay his debts, then only can he get an attachment — before he can get an attachment, he has to go to a judge of the Supreme Court and get a writ. At the present moment, Mr. Speaker, any commissioner of the Supreme Court, (many of them not legal men,) can issue writs of attachment, and sometimes they do so. In fact, during the past year, two attachments have been issued against Government companies; (Newfoundland Hardwoods for one) and in neither case was there any indebtedness. This attachment idea has been overworked. The last attachment was issued by the law firm of the Minister without Portfolio; and they issued a writ against Newfoundland Hardwoods and attached their property; when the man who issued the writ, the plaintiff in the case, was actually a debtor of the company; he owed the company money instead of the company, owing him money — Yet there was an attachment, and strangely enough, Mr. Speaker, under the

Judicature Act as it is now, even a judge of the Supreme Court can't raise an attachment if it is once placed — An attachment can be placed on a property and the judge of the Supreme Court is powerless to raise it. There is only one way to raise an attachment and that is by putting up bonds for the money, for the full amount due.

The other feature of the Bill, Mr. Speaker, is to provide that when a constitutional question is before a court, the Attorney General of Canada must be notified of it, if it involves invalidation of a Federal Statute. If, on the other hand, a Provincial Statute is involved, then the Attorney General must be notified — otherwise the Court is not competent to declare an Act unconstitutional. I think the reason for what would be clear to all, Mr. Speaker — It is unfair that Bills passed by this Legislation, which become Statutes, should be declared ultra vires in civil court without the law officers of the Crown being made aware of the position, and being given the opportunity to appear and discuss the matter, and argue the matter before the court. Mr. Speaker, I would move the second reading of this Bill. On motion, Bill read a second time, ordered referred to a Committee of the Whole House on tomorrow.

Second Reading of a Bill, "An Act Further to Amend the District Courts Act."

**Mr. Curtis:** Mr. Speaker, this is a very simple Bill. The idea is simply to exclude, in the jurisdiction of the District Courts, the right to issue attachments before judgement, to facilitate and to reduce the length of the District Court's time in actions — It is provided they could do certain things that the Supreme Court could do; and this section was one of these — the object of the amendment is to wipe out the section so that District Courts would be unable to issue attachments before judgement. Mr. Speaker, I move second reading of the Bill.

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

Second Reading of a Bill, "An Act to Amend the Fisheries Salt, Sales and Distribution Act, 1957."

**Hon. J.T. Cheeseman** (Minister of Fisheries): Mr. Speaker, last year a Bill was

passed in this house known as "The Fisheries Salt, Sales and Distribution Act." The purpose of the present amendment is to make only a couple of minor changes in last year's Act. That Act gave a description of salt to read — "Salt means salt used in the curing of fish and fishery products, other than in the curing of seal skins. This Bill is amending that to read" "Salt means salt used in the curing, processing and preparation of fish and products intended to be sold for use as food by human beings or animals."

The idea is that, whilst salt for some reason might not be suitable for the preparation of food for humans nor animals, it might still be useful for some commercial purposes. The other proposed amendment is to Section 4 (1) (e). It has to do with the distribution of contaminated salt. The amendment will enable us to destroy or to have the salt disposed of for purposes other than curing fish or other food products. It gives the Minister discretion as to whether the salt found to be contaminated should be destroyed, irrespective of its suitability for other purposes than the preserving of food, or, as I said before, for industrial purposes, such as streets, use on streets — There are many uses to which salt could be put instead of being destroyed, even though it is unfit for preserving food for either human or animal consumption.

Mr. Speaker, I move the second reading of this Bill.

**Hon. M.M. Hollett** (Leader of the Opposition): Mr. Speaker, I have very much to say — Certainly we approve of it. The last section I am not quite sure I understand properly. Does it mean that salt which has been condemned by the inspector for the curing of fish may be used for other food curing?

**Mr. Cheeseman:** No.

**Mr. Hollett:** As I read the Clause — sold and used for any purpose other than the curing of fish and fishery products intended to be sold for use as food by human beings or animals. Such salt could not be used for the curing of food in any way at all? In that case I agree with that entirely, and with the other amendment. While on the question, I do hope in the coming year all

fishermen will be able to get salt. I do not know what authority the Fisheries Authority has or the Federation of Fishermen has or the Federal Department of Fisheries.

**Mr. Cheeseman:** We have none.

**Mr. Hollett:** Mr. Speaker, I am informed by the Honourable Minister, the Provincial Department has no authority as to the proposed salt as far as any variation of the cost. That is definitely unfortunate, and I do wish something could be done to amend that.

**Mr. Cheeseman:** We have the matter under study.

**Mr. Hollett:** I was going to ask the Honourable Minister — if I may be able to say a word on that — that is the thing I want to raise:— Last year a lot of people had to give up the fishery because there was not sufficient salt at the time they required it, in the neighbourhood. I had a letter a few days ago from a person, I think, in Lourdes, and I believe these people have to go a long way to sell their fish and have to go a long way for their salt — I believe it is wholly and solely a fishing settlement. Correct me if I am wrong, but I believe most of the people get their living by fishing, and they have to go a hundred miles and take their fish to Curling or some place, and consequently they have to go there and get their salt. I don't know if it is very difficult to arrange for these people to get their salt. I think we must do everything we can, as a House of Assembly and the people opposite, as a Government, to make it easier for these men who go down to the sea in ships and dories, if you like, to make a living. I hope the question of salt will be taken into consideration.

**Mr. C.M. Lane** (White Bay North): Mr. Speaker, I would like to say just a few words. I am quite in agreement with the action as brought forward. If I may just go into the matter — as I said in my speech on the Address in Reply, I have been a member of the salt committee for seven years, and sometimes I felt that salt had lost its savour — But I do feel every effort has been made to do a job. I believe this year, as never



before, in co-operation with those who supply the salt, we have the matter well in hand. At St. Anthony, at the moment, we have nine thousand hogheads of salt; at Lewisporte four thousand hogheads of salt; H.A. Murray & Company have salt at Twillingate and various places around the coast. On the west and northwest coast it is a different problem altogether. It is only since wood works have given up that we have men back to the fishing boats; and we find men supplying for the fishery over there are no more. We have not got them. How we are going to do it and supply fishermen with salt is beyond me to say. They are buying it in sacks and bags. We consider that the cost is too great. Then there is the problem of shipping on the coast in the Spring with the ice — We have a distribution problem there. I, myself, was ice bound on that coast the 12th. day of July last year. The fishermen won't take the salt in the fall, and therefore somebody has to keep it and carry it over, and there is a loss. Murray & Company will lose considerably in storing these large quantities of salt over the winter months. I assure you, if the Government goes into it and stores the salt there, there will be heavy losses and it is going to cost quite a bit. But we have studied every means; and I feel that this year — and the Minister is in constant touch with it, and he keeps us needed to try and do what we can — I feel that in his reply he will sum up these few observations in regard to the distribution of salt. I cannot agree with anybody that nothing is being done. Everyone is trying to do something. I think there are many complaints and criticisms but you cannot go against ice and weather; and, as I said, you cannot distribute salt without adding the cost of freight. The people must get their salt, that is one thing I would say.

The honourable member for St. John's West mentioned the Federation of Fishermen. Many of our locals tie in with various firms, and the locals of the Federation of Fishermen can purchase their salt at the same price as the little merchant can; if they can provide the insurance and the bottoms to coast it to them. The price is the same, and they are not being pressed for payment until they settle up for the fish at the end of the voyage. I am satisfied we have, at the moment, tied in around fifteen or sixteen of

our locals with A.M. Murray & Company, and other distributing agencies — but here we find the problem of distribution.

**Mr. P.J. Canning** (Placentia West): Mr. Speaker, I notice yesterday there was an attempt made to solve this problem of inspection of salt, the proper salt to be used on fish. But I still see a great problem existing on the Southwest Coast. As far as I know, at the moment there is no great quantity of salt stored out there, and what will happen (as has happened last year) when the fish strike in, the salt is rushed from St. Pierre or somewhere else. As far as I know, the procedure is to send samples of salt here to be tested. Well what will happen up there is that, by the time these samples get in and are tested the salt, irrespective of quality, will already have been used.

**Mr. Cheeseman**: Mr. Speaker, if no one else wishes to make any comment I may be permitted to say a few words, and if I get on the wrong track, Mr. Speaker, you will pull me back quickly. Actually I am glad the Honourable Leader of the Opposition raised the matter of supplies of salt. The amendment that I tabled today actually has nothing to do with that matter, but the supply of salt to the fishermen of Newfoundland is a matter that has given me a great deal of concern for a great many years; and I have made several attempts to try and have the situation improved, but so far without success.

A few years ago, a salt committee was set up around 1950 or 1951 by this Government. I was at the time a member of that committee. I think it was a good Act when it first came to the house, but by the time they got it through there were many of the teeth withdrawn and it did not go far enough, in my opinion. But the opinion that I hold, I think it is only fair to say, is perhaps not general. There was time, down through the years, when Newfoundland was solely a fishing country, when it was our main industry, and the people who imported salt also handled the fish and exported it, and the salt was necessary to them; and the merchant who knew he would be handling his fish made sure he had good quality salt, suitable for the type of fish he wished to cure. Salt was never treated until comparatively recent years as a commodity on which a supplier

(strange as they may sound) expected to make a profit. In fact for many, many years, I think it is safe to say there was more salt sold at an actual loss than at a profit. Because, as I said, merchants who handled the salt were the same people who handled the fish and the salt was necessary for the fish, but, in more recent years, fishery salt has become a trading commodity, and the three or four concerns who import the bulk of the salt into the country handle no fish whatsoever. So that, generally speaking, their principal concern might reasonably be expected to be the salt that will give them the most profit. That is fair enough. We cannot criticize that. The result is that you cannot always rely upon the quality of the salt.

Now, in regard to supply, my feeling has been for some time — and I hoped that I would be able to bring in a Bill here this year, and may yet, as we are working on it — I believe that the supply of salt to the fishermen and the supply of the right quality of salt and at a reasonable price can only be achieved if the Provincial Government and the Federal Government, (because in this I feel the Federal Government has a responsibility) would provide the capital to build a number of salt depots at various places in Labrador and around Newfoundland, where salt could be stored; at depots that could handle ships with large cargoes, places where the salt could be put in when transportation is most favourable. At the present time, there are very few people, strange as it may sound to hon. members, there are very few people who supply salt in Newfoundland who have the facilities for storing any substantial quantity, and the quantities that they can store they can only take in a times convenient to themselves; which is usually late in the Spring or early Summer, when there are foreign ships that carry cargoes from their places of origin.

The honourable member for White Bay mentioned the bagging of salt. That is common practice on the Mainland, and I think, now that we have highroads and a better means of transportation, it could be done to great advantage here in Newfoundland. Perhaps I was wrong, but I rather gathered from the hon. member's reference, that he is under the impression that the salt is bagged at the place of origin. That is not the case. The salt is brought from the

source of origin of either where it moves by train or ship, as the case in Newfoundland, at any rate, and in Nova Scotia, by ships, and is actually bagged by the importers. That is not a major operation nor a costly one.

The carrying of salt from one season to another: from my younger days in the fishery business, I've learned, and if you talk to most men of my age they will tell you, that if you carry over supplies of salt from one year to the next means it has better curing qualities than the newer salt brought in and used in the same season. So, for that reason, older fishermen look very favourably upon, and always try as far as they can, to carry supplies forward. The loss in the case of carrying over salt is infinitesimal. I personally had experience with carrying salt over in my own business from year to year for more years than I care to tell you. It is rare that the shrinkage will go beyond two and a half per cent. The shrinkage on the salt from year to year will run anywhere from one to five per cent. Perhaps a figure of two and a half would not be too far out of line.

I repeat, I would like to see, and I intend insofar as I can, to see these depots. If any hon. members read the "Walsh Report" they will find a reference to that in the report. It was advocated and suggested by the Walsh Report, I think, that this Government or the Federal Government should build these depots. I am not suggesting they should go into the business of shipping. I think that what will follow is a system of franchise. For instance, if we put a salt depot, at, say Battle Harbour, the salt will be put in, and someone would be franchised for an area and he would be the sole distributor for salt, wholesale, retail, whatever you have in a given area. In order to get that franchise, he would have to comply with certain laid down regulations governing price, quality and so on. The establishment of such depots, as I have in mind, would assure, in my opinion, getting the right quality of salt for the type of fish you intend to cure, and that is essential, because without the right quality of salt you cannot cure fish properly. A great deal of the inferior quality of the fish we have is caused by using salt that is not suitable. So that you would have quality and by bringing in larger cargoes, and bringing them in at a time when

the freight rates are most favourable, you can greatly reduce the price. Because, Mr. Speaker, as is perhaps not generally known to hon. members, it is a fact that freight is invariably higher, and the amount of freight on a ton of salt is frequently higher than the original cost of the salt itself — So that if we could bring in larger cargoes, bring them in at a time when the freight rates are most favourable; for instance right now — it is possible today to land a ton of salt in Newfoundland, cost and freight — that is the cost of the ton of salt and the freight combined — is very little greater today than the freight alone was in June and July last. Then, we have the depots to bring in a larger cargo, merchandized equipment for unloading, lower rates of freight by being able to give a ship a quick turn-around. In this Province, there are very few places where a ship can discharge more than three or four hundred tons a day, and a few where they can do perhaps five or six, but very few — The main thing with a ship is getting a quick turn-around. With merchandized equipment we ought to be able to discharge ships as quickly as they could be loaded. Now, I know one place where ships are loaded, and they are loaded by barges actually, where they load the salt from the salt fields and load it on board the ship in barges at the rate of fifteen hundred tons a day. That is where you get your load of freight cheaper by being able to give a ship a quick turnover.

I said I hoped to have some legislation before the house this session. I am not yet sure that I will, but I am telling you in advance. It is all along the lines I have just mentioned. I do hope even if we don't get the legislation through this year that my colleague, with the assent of the honourable members opposite, when my estimates come up, I hope to have in my estimates an amount of money sufficient to build at least a couple of modern salt depots this year.

**Mr. Hollett:** Our Government in Ottawa will help you.

**Mr. Cheeseman:** I expect that.

**Premier Smallwood:** We will take help wherever we get it.

**Mr. Cheeseman:** The honourable member for Placentia West spoke about the difficulty of getting samples - With all due regard to the honourable member I think that is a little exaggerated. In my own firm, we have been importing salt for the South Coast for many years, and we bring samples in here. We have never had any difficulty in that respect, and actually the South Coast is not too badly off in regards to supplies. But I did see fishermen from St. Lawrence come to see me last Fall and show me invoices for salt that he had purchased on the Burin Peninsula, and I was rather shocked to find that, on the Burin Peninsula, I think it would be in July, that particular fisherman has been charged seven fifty or eight dollars a hoghead. If that had happened on Labrador, or further north somewhere, I could understand it - but I did see it - there might have been some extenuating circumstances - I do not know - But generally speaking salt for the South Coast comes in by direct shipment, and prices are usually very reasonable, and supplies are usually there. As a matter of fact, no longer do we use very much salt on the South Coast, the great salt bulk being used in Newfoundland is now being used on the East Coast and in the Straits of Belle Isle - Bonavista Bay, Notre Dame Bay and the Straits, that is where they use the most salt. The hon. member for White Bay North stated that supplies of salt in the hands of the merchants at this time are heavier than they have been for some years past, so that if the means of distributing can be found - that is another matter - there ought not to be any serious difficulty - but I do not look upon that as being the main thing - the main thing is that we must have the facilities to assure that there will be ample supplies of the right quality and at a reasonable price. At the present time, the Federal Government pays fifty per cent of the fishermen's cost of salt. But that is on a year to year basis.

**Premier Smallwood:** Not only at the present time but for the last three years.

**Mr. Cheeseman:** But even now, it is only on a year to year basis. There is no assurance that that will be continued. Then, there is another thing about that. (I would much rather see the Federal Government which

one is immaterial, the "CCF" if they get in - I would be glad to take their money) But, with this business of the Government paying fifty per cent of the cost of the salt there is, I am afraid, the danger that fishermen are not likely to be so concerned in driving a price bargain - Because when a fisherman enquires the price of salt and is told seven dollars a hogshead, and he is startled a little drum merchant says, "what is the difference, you are going to get half back" - but it would be better if they got half back and paid only one dollar and seventy-five cents, and regardless of whether the Federal Government is Liberal, Tory or CCF, we want something more permanent for fishermen than the uncertainty of, from year to year, trying to get this payment from Ottawa. Mr. Speaker, I do not know if there is anything else I could usefully add at this time. Actually it has no direct bearing on this amendment, but my department is not overlooking the importance of the main matter, and I hope that we will before long have a substantial improvement both price-wise and quality-wise.

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

Second Reading of Bill, "An Act Further to Amend the Undeveloped Mineral Areas Act."

**Hon. W.J. Keough:** (Minister of Mines and Resources): Mr. Speaker, the Undeveloped Mineral Areas Act presently standing on the Statutes provides that when the Minister of Mines and Resources gives a certificate in writing to the Lieutenant Governor-in-Council that, in his opinion, a mineral area has not been worked, or sufficient monies have not been expended in its development during the ten year period preceding the date of the certificate, the Lieutenant Governor-in-Council may, by order, declare the mineral area to be undeveloped in the meaning of the Act, and the Minister may enter upon, prospect or develop or both on that mineral area; and the Minister has the exclusive right of the possession of the mineral area and the mineral land whether surface, sub-surface or submarine. Well, that is pretty far-reaching legislation,

as far as the owner of the mineral area is concerned. Since the Minister has the exclusive right of possession, it ties his hands completely, as far as dealing with his land goes, and he is unable to dispose of the surface right by the way of sale or in any other fashion whatsoever. Actually, the Act as it presently stands compelled the Lieutenant Governor-in-Council to take a greater measure of control over a mineral area declared to be undeveloped than is actually necessary in order for the Lieutenant Governor-in-Council to bring about the development of the minerals on the land

So that the amendment that we propose here is aimed at correcting that situation by providing that, in the future, the Lieutenant Governor-in-Council may declare a mineral area to be undeveloped in respect of a specific mineral, and leave the owner in the full enjoyment of all other rights, the right to any other mineral that may be in the land clear of the one specified. Then, the Bill provided a second amendment which would enable the Lieutenant Governor-in-Council to make corrective orders in respect of areas that have already been declared underdeveloped. What would be done under the correction would be to restore to the owner the right, other than the right to the mineral, with which to bring about the development.

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

Second Reading of Bill, "An Act to Amend the Loan and Guarantee Act, 1957."

**Hon. E.S. Spencer** (Minister of Finance): Mr. Speaker, in moving the second reading of this Bill, I confess to the house that I have not the details which perhaps might be necessary. In fact, I left the Chamber a half half ago and telephoned the office in order that they might give me as much information as possible regarding it, and at the moment they are engaged in obtaining that information. All that I can say, Mr. Speaker, at this time is that of the ten items listed here, all but the last one have been implemented. The first nine are loans that

have been made during the past year. I believe in most cases the house has been given information regarding them by way of answers to questions asked in the early stages of the session. They are merely listed here to confirm the actions which we have taken during the past year in connection with these various industries and the loans that are mentioned. In the case of the last one, there is still a technicality in connection with the wording of the request for the loan, which the department is endeavouring to have properly cleared up before that particular loan to the Bonavista Cold Storage is implemented. I do not know that I can add anything, Mr. Speaker, to the comments which I have just made other than, as far as I am aware, to point out that they are merely confirming the actions which have been taken, and information regarding these loans, as far as I know, has been supplied to the house. Mr. Speaker, I move the second reading of the Bill.

**Hon. M.M. Hollett** (Leader of the Opposition): Mr. Speaker, I am afraid I cannot agree with the Honourable Minister when he says all the information relative to these loans has been supplied to this house. We have no information whatsoever as to why, for instance, Atlantic Gloves have received an extra loan of twenty-one thousand, two hundred dollars. We have no information as to why, for instance, Mrs. Marion Hawco received three thousand, seven hundred and forty-six dollars, and sixty-six cents, not even the sixty-six cents. I think, therefore, that the Honourable Minister is derelict in his duty in not giving us the necessary information - Raymond La Riche - I do not know the gentleman. I have heard of a La Riche but I don't know if it is the same man or not, or whether it is some Frenchman who has crept in here - the Amount is for sixteen thousand, four hundred and ninety dollars.

**Mr. Smallwood:** Ray La Riche, the fisherman at the Battery.

**Mr. Hollett:** I know of Bay Riche, but I do not know of La Riche.

**Mr. Smallwood:** It is the French influence - we have just come back.

**Mr. Hollett:** It is certainly not the Scotch influence. There is nothing Scotch about that. He received sixteen thousand. For what?

**Mr. Smallwood:** Longlining.

**Mr. Hollett:** Was that brought before the house? Was that decided?

**Mr. Smallwood:** It is brought to the house now.

**Mr. Hollett:** We have not been told - How can we talk to the principle of this Bill when we are only told now on questions and cross-questions that it has been given to Riche, called La Riche, to buy a longliner. We did not know that before. Then, Newfoundland Hardwoods Limited, two hundred twenty-six thousand, seven hundred dollars. In the name of God when does this one stop? It must have cost the Government, to the present day, well near six million dollars. I think if my memory serves me right, it is six or a little over six million dollars, and here we are giving another two hundred twenty-six thousand, seven hundred dollars, yet we cannot get any information as to how many people are employed out there; we do not know how much was paid in wages last year, we do not know how many people there are, women or children or what, and we do not know, as I said, how much is paid out in wages and salaries. I do not know. We cannot get the information from Newfoundland Hardwoods. We ought to have it if we are going to lend them this amount. As to the Education Boards, we understand that is for the education of our children and we do not need to ask questions about that. As to the other things, we ought to have been told what they are all about, because I am against the principle of giving to Mike Jones or Bill Smith or Mr. La Riche, or anybody else, loans by Order in Council, and then coming to the house and asking us to agree with it in principle on second reading without telling us what it is all about - to that extent, I must disagree with this Bill. On the other hand, I dare say most of the things are in order and it is perfectly right, perhaps, to grant these loans - in all probability - But we ought to be told. Nobody knows - the public do not know, and if we don't stand up and say we

ought to be told, there will never be anything about it. I do hope the Minister will be able, when replies, to tell us just what these individual loans are all about.

**Mr. Duffy:** Mr. Speaker, may I ask the Minister of Finance - on the first item here, Atlantic Gloves Limited twenty-one thousand, two hundred dollars - That plant, I understand is closed up - I was wondering when that loan was made - Was that the loan that the Government had to assume and pay out, one of the guaranteed loans? That industry is finished, I believe.

**Mr. Smallwood:** That is a payment of guarantees made in the previous year, I believe, and picked up now during this year.

**Mr. Duffy:** That is what I thought.

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

**Mr. Smallwood:** Mr. Speaker, it is almost too late to go into Committee of the Whole, so we might as well adjourn. On motion, all further orders of the day do stand deferred.

On motion, the house at its rising adjourned until tomorrow, February 18th. at three o'clock.

Tuesday, February 18th, 1958

The House met at three o'clock.

#### Presenting Petitions:

**Hon. J. R. Smallwood (Premier):** Mr. Speaker, I beg leave to present a petition from the people of a very large section of the district of Bonavista North, which I have the honour to represent in this House. Mr. Speaker, this petition is signed by three thousand persons, three thousand voters in Dover, Hare Bay, Middle Brook, Dark Cove, Gambo, Glovertown, Traytown, Sangringham, Eastport, Happy Adventure, Salvage, St. Shad's and Burnside. The wording of the petition is as follows:—

"We the people of Bonavista Bay, from Dover to Salvage, inclusive, hereby petition for steps to be taken to provide the area with

electrical power. And whereas certain sites in this area have been surveyed and approved as being economically feasible for electric power development, and whereas certain companies are willing and anxious to carry out this development, if financial assistance were forthcoming, we, the undersigned, respectfully hereby request that the above matter be given immediate attention."

Nor, Mr. Speaker, there is one paragraph in the petition that I did not read, but I will read it now—"And whereas we are aware that the Federal Government of Canada has granted long term loans to other Atlantic Provinces for the provision of cheap rural electrification, and has granted similar loans to Newfoundland (should representations) be made by the Newfoundland Provincial Government."

Mr. Speaker, I have been informed that that paragraph in the petition which says they are aware that the Federal Government of Canada had granted long term loans to other Atlantic Provinces for the provision of cheap rural electrification has been inserted in the petition on the basis of a letter received by them, or by some of them, from Ottawa. May I say, Mr. Speaker, that I have no knowledge at all of anything done by Ottawa to provide cheap rural electrification. I have never heard of anything, never read of anything, never been told of anything—I have heard of no rumor—that Ottawa was doing anything to provide cheap rural electrification by means of loans or any other means. That is one paragraph in the petition, Mr. Speaker. It was put there sincerely by those who drafted the petition, and signed sincerely by those who those who signed the petition, but that paragraph, although sincerely inserted in the petition, is quite without foundation. It has no foundation whatsoever in fact. Mr. Speaker, I requested the Union Electric Company of Port Union, almost two years ago, to make a survey of this very area, (and in Hare Bay, in fact from Dover all the way south to Gambo and all the way east to Happy Adventure)—to make a survey of the possibility of providing electricity. They made the survey, and they requested the money last year, over a million dollars, in the calendar year just past. The Government were simply just not in a position to

provide a million dollars in that year. We will be in a position this year to provide the financial assistance needed. That is why it was not done last year.

Now, this year there appears to be two different companies prepared to do it, one is the Union Electric Company of Port Union, who made the survey at my request, and sent their engineers all around these places. The other is the Newfoundland Light and Power Company, with whom I had meetings as recently as today, and with whom I have had many meetings in recent weeks and months. They are developing power right now at Rattling Brook. It is almost ready to be generated. They are bringing power to Gander, eastward to Lewisporte and to Gander; and from Gander, we are now actively working out an arrangement with the Newfoundland Light and Power Company to bring power, (Rattling Brook power,) which comes to Gander anyhow or will come this autumn, bring it on further eastward to Gambo and at Gambo to supply it northward not only to Hare Bay, not only to Dover, but all the way down, practically down, to Cape Freels, to do practically all, I don't say all, but practically all of the north side of Bonavista Bay, and then coming eastward all the way to Glovertown all the way to Happy Adventure.

**Mr. Speaker:** Order—I think the Honourable the Premier is forgetting that the rule is "five minutes."

**Mr. Smallwood:** Mr. Speaker, I was hoping I would keep within the five minutes, and that you would tell me when the five minutes were up.

**Mr. Speaker:** The five minutes are up. Perhaps the house will allow the hon. member to continue?

**Mr. Smallwood:** I don't need more than half a minute, if the house would forbear, I will not take more. I have only to say there appeared to be two chances of the power coming to that area, one from the Union Light Canada of Port Union, by developing hydro-power at Middle Brook near Gambo, and the other to bring it from Rattling Brook via Gander through the Newfoundland Light and Power Company, and that I

am very hopeful, very hopeful indeed, very optimistic, that we can get that done this present calendar year. I therefore have the greatest possible pleasure in supporting this petition and move that it be received and referred to the Department to which it relates.

**Hon. M. M. Hollett** (Leader of the Opposition): Mr. Speaker, I would like to have it clear in my mind—at any rate, Mr. Speaker, I do support the petition.

**Mr. Speaker:** I thought that was why the hon. member rose.

**Mr. Hollett:** I am very happy to support it. I have been over the area, not so often as the Premier. There was one statement made by the hon. the Premier, about the fact that he knew nothing the Federal Government has done whereby they could produce cheaper electrification.

**Mr. Smallwood:** No, it said "cheaper rural electrification."

**Mr. Hollett:** They, the Federal Government, will guarantee loans for the building and erection of transmission lines from one part of the area to the other. I submit that will make for cheaper electrification. I think maybe the Premier may be out in that. I support the petition of these people, Mr. Speaker, and support the petitions of all people relative to electricity.

**Mr. Smallwood:** I do not think, in hardly any case imaginable in Newfoundland, it will bring cheap electrification.

**Mr. Hollett:** Cheap no—I do not mean cheap. On motion, petition received for referral to the Department to which it relates.

**Hon. J. R. Chalker** (Minister of Public Works): Mr. Speaker, I beg leave to present a petition on behalf of the residents of Flowers Cove, Anchor Point, Sandy Cove, Green Island Cove, Green Island Brook, Eddies Cove. Eddies Cove I may say, Sir, is within a matter of twelve or probably fifteen miles from Flowers Cove. The people in the area surrounding Flowers Cove in St. Barbe

District petition the Provincial Government that the construction of the highway be undertaken in this district in the year 1958. I may say, Mr. Speaker, that due to the short money policy last year, we did not continue the highroad in that area which was started several years before. But I believe, Sir, that this year things will be different. It gives me great pleasure to support this petition and I beg leave to have it tabled in the house and referred to the Department to which it relates.

**Mr. C. M. Lane** (White Bay North): Mr. speaker, I would like to support the petition presented by the hon. member, especially on behalf of the fishermen in that area. A large number of these people are returning to their fishing boats. We cannot ever hope to see that part of the coast ice free, and with roads they will be in a position to secure their supplies from one side of that neck of land, the Great Northern Peninsula to the other. As we looked to the coasting fleet in years gone by to supply our needs, so we must to roads. I strongly support the petition, and trust the Department concerned will give it consideration, and that within the next three or four years we will see that whole area connected.

On motion, petition received for referral to the Department to which it relates.

**Hon. S. J. Hefferton** (Minister of Welfare): Mr. Speaker, I beg leave to present a petition from the people of Chapel Arm, Trinity Bay. The petitioners pray that the benefits of electricity may be extended to their area in 1958, and in the petition point out that a transmission line of only nine miles is required for this extension. The petitioners also refer to their repeated efforts, by petition and in other ways, to obtain these benefits. I heartily support the prayer of the petitioners and ask that the petition be tabled and referred to the Department to which it relates.

On motion, petition received for referral to the Department to which it relates.

**Mr. E. Jones** (Burin): Mr. Speaker, I beg leave to present a petition on behalf of the people of Lamaline in the district of Burin. The prayer of this petition is that the Government assist the fishermen in Lamaline in

construction of a fish stage in that place. It is not my intention to speak at length on this petition. I have already explained at some length, the same matter is an earlier debate. I feel sure it will be supported, in principle at any rate, by every member of the house who is interested in the fisheries.

I ask leave to have the petition tabled and referred to the Department to which it relates.

**Hon. J. T. Cheeseman** (Minister of Fisheries): Mr. Speaker, I rise to support the prayer of the petition that has been presented by the hon. member and I do so with a great deal of pleasure, for more than one reason. One reason is that, quite a few years ago, I had the pleasure to represent that district in this house. I have before me a copy of the petition, and the names I see there on the petition are, many of them, names familiar to me. I am also in complete agreement with the principle whereby fishermen will acquire better stages for the handling of their fish, and I am delighted to see it being done on a community basis. I think I can say to the hon. member that, when that petition reaches the Department to which it relates, I will have a word to say on it.

**Mr. Hollett**: Mr. Speaker, I would like to support that petition too, because I know Lamaline very well. I visited it very many times when a magistrate in Burin, and I know how difficult it is to keep up individual stages and wharves and so on. I think the idea of community stages for places like Lamaline is a good idea, and I have much pleasure in supporting the prayer of this petition.

**Mr. C. M. Lane** (White Bay North): Mr. Speaker, I would like to support the petition too. It is something we have dreamed of during the past few years. I do not think any more can be expected of our fishery products cured in some of these places, and at the present day we are getting around to community effort, and where we have that initiative from the people I feel confident the Department of Fisheries will support it. We must encourage them to put up better places where we can put up a better product. I have much pleasure in supporting this petition.



**Mr. W. Smallwood** (Green Bay): Mr. Speaker, I too rise to support the petition. I think it is a good idea. I always like to see a few of these community stages erected in the district of Green Bay, especially on the North Shore, in such settlements as Nippers Harbour, Indian Burying Place and Shoe Cove and Leading Tickle.

**Mr. Speaker:** This sounds like an invitation for petitions.

On motion, petition received for referral to the Department to which it relates.

**Mr. A. Mifflin** (Trinity South): Mr. Speaker, I beg to present a petition on behalf of the residents of Elliston for the extension of electricity to about one mile from Elliston. I support the petition, Mr. Speaker, and ask that it be accepted and referred to the Department to which it relates. On motion, petition received for referral to the Department to which it relates.

**Mr. M. Whalen** (Harbour Main): Mr. Speaker, I beg leave to present a petition on behalf of the community of James Cove. The prayer of the petition is for the extension of electricity in that area, and the petition is signed by sixty people. The community of James Cove, Mr. Speaker, does not lend itself readily to the centralization plan, and a number of people there are fishermen, settled in homes and occupations, and quite a number of young married men who lately built homes and settled down, and new and thriving businesses have been established there. This fact and the fact that the electrical line runs within a few wire strand distance from the area leads people to feel that the extension of electricity is not an unreasonable request. I heartily support the petition, Mr. Speaker, and ask that it be laid on the table of the house, and referred to the Department to which it relates.

On motion, petition received for referral to the Department to which it relates.

**Mr. Speaker:** I think perhaps this might be a good time for me to say a few words about petitions. It is a very ancient right of people to petition the House of Assembly. But the petition should be addressed to the Hon. the House of Assembly and not to the members. It should be sent, however, to the

member for presentation in the House of Assembly. A petition should be couched in respectful language, and should always end with a prayer, and the prayer should be in these words—"For which your petitioners will ever humbly pray." All petitions received in this House of Assembly should have these words at the end—"For which your petitioners will ever humbly pray." Otherwise, strictly speaking, it cannot be received.

Another point about petitions is this:—A petition should be signed personally by the persons whose names appear on it, and nobody should sign a petition in anybody else's name—So that if a petition contains a lot of names in the same handwriting it ought not to be received—A telegram is not part of a petition. A petition in the form of a telegram cannot be received in any Parliament, because it does not have a genuine signature that can be recognized. I just mention these points as regarding petitions presented in the House of Assembly. A member has five minutes in which to support a petition. He should not read out the petition but should say what it is about and support it in his own words. Any other honourable member has the right to rise and support it before the motion is put that it be received, and when so rising should say—"Mr. Speaker, I rise for the purpose of supporting the petition"—so that Mr. Speaker will know he is not introducing another petition. I thought I might mention these rules because I have noticed some infringement of them lately.

**Hon. J. R. Smallwood** (Premier): Mr. Speaker, if I may, I would like to say how very pleased I am that Your Honour has made these remarks. I have been feeling a growing concern over the manner, in recent years, in which the people are losing sight of what they must bear in mind, they must keep in view, in making petitions. To tell the truth, a good many of the petitions that come into this house are not addressed to the house at all, they are addressed to the member for the district or they are addressed to the Government, but not to the house. Unless a petition is addressed to the Hon. House of Assembly it is out of order to present it here.

Then again, as Your Honour has so well

said, a petition contains a prayer—"And your petitioners, as in duty bound, will ever pray." That is the classic phrase of petitions, and has been for five hundred years at least—That is the prayer of the petition. If it has no prayer, it is not a petition, and if it is not addressed to the House of Assembly it is not permitted in the House of Assembly. If only that fact could be spread around amongst the people it would be a great advantage, and we would be keeping strictly to the traditions of Parliament, under the British Flag.

**Hon. M. M. Hollett** (Leader of the Opposition): Mr. Speaker, if I may add just one word to that—Now I realize why these prayers are never answered—They are addressed, apparently, to the members and not to the House of Assembly. None of these prayers are ever answered—

**Mr. Speaker:** Order. I think the press will note (1) Petitions should be addressed to the Hon. House of Assembly, (2) they should contain a prayer and (3) every person whose name appears should sign his name himself, and there should not be any telegrams sent; and petitions should be sent to members of the House of Assembly for presentation.

**Presenting Reports of Standing and Select Committees:**

None.

**Notice of Motion:**

None.

**Notice of Questions:**

None.

#### ANSWERS TO QUESTIONS:

None.

**Mr. Speaker:** Before calling the Orders of the Day, I must inform the hon. house that at 3:15 your Speaker, accompanied by certain honourable members, called upon His Honour the Lieutenant-Governor and presented him with the Address in Reply to the Speech from the Throne drafted by the Select Committee appointed by this House for that purpose, and that His Honour was graciously pleased to receive the Address in Reply.

#### ORDERS OF THE DAY:

**Mr. Hollett:** Mr. Speaker, before proceeding with the Orders of the Day, may I ask the Hon. Minister of Fisheries if he could give the house some idea as to the position presently existing with regard to the Fortune Fish Plant, and if that plant has been taken care of by a Government appointed caretaker; if so what salary has been paid? I wonder if the Minister might be able to answer that?

**Hon. J. T. Cheeseman** (Minister of Fisheries): Mr. Speaker, in reply to the hon. Leader of the Opposition, the position is that Fortune Bay Products Limited, registered owners of the plant, is referred to as still technically in the hands of liquidators, and therefore the Government has no one employed at present in connection with the plant, but they are employed by the liquidators. That is to say, the Government has not yet taken formal possession of the assets of the Fortune Bay Products.

Second Reading of a Bill, "An Act to Authorize the Lieutenant-Governor-in-Council to Enter Into An Agreement with Crown Zellerbach Corporation."

**Mr. Speaker:** The Honourable Leader of the Opposition has the floor.

**Mr. Hollett:** Mr. Speaker, I rise on behalf of my colleagues to support the principle of this Bill, which is a Bill to Authorize the Lieutenant-Governor-in-Council to enter into an Agreement with Crown Zellerbach Corporation. The Hon. the Premier yesterday, I thought, introduced this Bill in the most restrained manner that I have known him to introduce any similar piece of legislation. I think I must say that I admired the way that the Premier introduced this, because I believe it is a most important piece of legislation, I believe it is the most important piece of legislation that has been brought down in this house during my term here—I think, therefore, it is very fitting it should have been introduced in the manner in which it was so ably done yesterday. Now, Mr. Speaker, in supporting the principle of the Bill, that is not to say that we on this side of the house agree with all the sections or clauses of the agreement which the Bill au-

thorizes, but I think probably a better time to go into the details on these various matters is when we go into Committee state on this important Bill.

We heard the Premier yesterday tell us about Crown Zellerbach, their history and their achievements, and we had a lot of literature distributed, which on first glance would tell every one of us here that Crown Zellerbach is a Corporation which would do honour to any Provincial Government in Canada that becomes associated with them. So that we on this side of the house believe, Sir, that out of this Bill will come to the people of Newfoundland something which is worthwhile, and something which is bound to create some prosperity, some measure of prosperity to not only the areas which are presently depressed but to the whole of Newfoundland.

I, Sir, was brought up as a boy, as a youngster, in a fishing village, a fishing settlement. We in those days, these younger days of mine, knew very little about prosperity. We lived more or less from hand to mouth. We were never hungry. We always had something to eat, and always had some clothing to put on our backs; but we did not see many of the signs of prosperity such as I witnessed when I went, as a man, to Grand Falls, which, Sir, as we all know has been the centre of prosperity in this Island for many years, since 1905, when it was first established there. When I went there as a magistrate, I saw what opportunities had been offered to the youth of that area compared with those which had been offered to us as children who were brought up in the outlying areas of this country.

**Premier Smallwood:** Here. Here.

**Mr. Hollett:** I was so greatly impressed, Sir, that I have been praying ever since that we would have sufficient wood in this country to support other industries of that kind. Of course since that time I have visited Corner Brook on many occasions—There again I see that air of prosperity, that look of independence right across the very countenances of those people and their children who have been privileged to live in these particular areas (Grand Falls and Corner Brook).

So I say, Sir, any Bill which has the slightest

possibility of putting another mill in any area of Newfoundland is something with which we of the Opposition, and every man in the house, must support. We must support the principle of this Bill. It therefore has our utmost support. I do not intend to take up too much time at this stage, Sir, because I either support the principle or I don't. If I do not, I have a lot to say, and if I do I could have a lot to say but a lot of it would be what has already been said and it would be redundant.

The Bill itself has only six clauses. As was pointed out so well yesterday by the Premier, under Clause 2 the Government grants all unalienated timber on all Crown land in Newfoundland, up to at least two hundred thousand cords per year. Now the clauses dealing with that we will have to discuss, I say, a little more fully in the Committee stage. They also grant to Crown Zellerbach all Crown land in Labrador South, as outlined in the schedule to the Act. In that connection, Sir, the little map at the end of the Bill we have does not show up the areas so well as this one I have here, which I filched from the Report of the Royal Commission. If any hon. member would like to look at that afterwards he would see that it is a considerable portion of our Labrador territory, part of our Province, which has been granted. In that particular area, I note that the biggest area of wood was formerly held as a concession by International Forests Products. Now, whether International Forest Products at the present time have an interest there, or whether Mr. Silver, which I believe is the name, has interest there at the present time or what interest they have there I am not prepared to say, I am not sure.

**Premier Smallwood:** May I say that International Forest Products Company were replaced by Consolidated Pulp and Timber Company, or whatever the name is.

**Mr. Hollett:** Thank you very much, Mr. Speaker, but it is still Silver, I believe?

**Mr. Smallwood:** Yes.

**Mr. Hollett:** They have the greatest area in that particular concession in Labrador, which will now go to Crown Zellerbach and

what the arrangements are which have been made between the Government and Crown Zellerbach or between Crown Zellerbach and Mr. Silver, Consolidated Pulp and Paper, I do not care, but I strongly suspect that Consolidated Pulp and Paper do not stand to lose very much. Because I do remember that yesterday the Hon. the Premier, in introducing the Bill stated, in terms that attracted by notice, that the first nine hundred thousand cords of wood which were to be cut and processed by Crown Zellerbach would not pay one dollar per cord royalties, but would pay fifty cents per cord royalties. I noticed he also said, (the Hon. the Premier) that probably the difference would take care of any private which might exist in that particular area. So I would say that \$450,000 is probably the amount which would take care of Consolidated Pulp and Paper. Now I am not sure of that. I am just throwing that out as a hint.

**Mr. Smallwood:** No, I said that. I also said it would probably go a long way, part of the way, towards enabling Crown Zellerbach to recover some of the costs of their own exploration in the next two years.

**Mr. Hollett:** Yes, I believe that was added as an afterthought. At any rate, Sir, this is a huge area of land, I do not know how much, but I suppose one-sixth or one-eighth of the whole of Labrador. A lot of that territory, of course, is not wooded, but in this particular area it is well wooded—On this particular map, which was produced by the Forestry Commission, I see that the Consolidated Pulp and Paper people had practically all the wood that was there. Bowaters had a very small concession at Port Hope Simpson and the Anglo-Newfoundland Development Company a smaller one still, I believe, in the bottom of St. Michael's Bay. But that map gives an excellent idea of the area. I am quite sure if the amount of wood is there, which was indicated by the Forestry Report, then there will be no doubt whatsoever that Crown Zellerbach have a good deal in this particular agreement.

We notice also in the agreement, Sir, that the company will have two years to determine or to decide if they are going to establish a newsprint mill here in Newfoundland, a mill of two hundred tons daily capacity.

Two hundred tons daily capacity is, we know, a small mill when compared with Anglo-Newfoundland Development Company and Bowaters at the present time. At any rate, it will be a good beginning. They have two years in which to decide whether they will have this mill, and then there is another three years they can spend in putting up the mill and getting into operation. After that—Of course, as soon as the two years are up or probably before, the Government will execute and deliver to the Corporation a timber lease or leases for a period of ninety-nine years.

**Mr. Smallwood:** That is in Newfoundland.

**Mr. Hollett:** That is in Newfoundland, yes. Then, if Crown Zellerbach goes ahead with the mill, the Government will also, I understand, grant an exploration lease on the Labrador to Crown Zellerbach, in this particular area to which I have made reference, and they will have a period there of twelve years from the date of the signing of the agreement in order to determine if they want to take some of the concessions and use it down there. Then, after the end of the twelve years, they are given a further five years in which to construct and operate pulp facilities to take care of a pulp mill of five hundred tons daily capacity. This is all old stuff because we heard it yesterday—I am refreshing my own mind on the matter—

There are one or two sections in that Bill that I certainly don't quite understand, and I have some doubt as to whether many people understand it—I am referring, I think, to Section 9—If I remember correctly, it is a very difficult section and I am going to ask the Hon. the Premier or the Attorney, when replying later, to explain the implications of Section 9, (1), (2), (3), and (4) and (5) and (6), all of Clause 9. It is very difficult, I think, for the ordinary layman to understand it, and I do hope he will get a more complete explanation. Apart from that there is not much in the agreement which the ordinary man, as I said before, cannot understand. There are some things there that I am afraid are going to have to be altered when we come to Committee of the Whole, but not to any great extent however. The more I look at this agreement the more

I can see that there must have been something in what the Hon. the Premier said yesterday when he said they were "hard bargainers". I read it until three o'clock this morning, reading this thing and making notes, and I think I must have gone asleep with the vision before me of Crown Zellerbach with their heel on the Premier's throat. I am quite sure it must have gotten as bad as that, because some of the things in this agreement look terrifically hard, and we have been informed by the Government that some five or six stiffer than these have been taken out.

**Mr. Smallwood:** Or toned down.

**Mr. Hollett:** Or toned down—Yes, there is something there about the Anglo-Newfoundland Development Company and Bowaters. If the Anglo-Newfoundland Development Company and Bowaters signify to the Government at any time during the next twelve years it required Crown Zellerbach timber in Labrador to supply a program of expansion, the corporation, (that is the Crown Zellerbach Corporation,) will release from the exploration lease portions of the timber limits, what in the opinion of the Corporation—

**Mr. Smallwood:** No.

**Mr. Hollett:** The Hon. the Premier should let me finish my sentence.

**Mr. Smallwood:** In the opinion of the Corporation and the Government.

**Mr. Hollett:** The Minister of Mines.

**Mr. Smallwood:** That is the Government.

**Mr. Hollett:** That is the first time I have ever heard that stated, that the Minister of Mines is the Government—It is generally, Mr. Speaker, stated that the Government is the Premier.

**Mr. Smallwood:** That is wrong. Every Government is the Ministers, every Minister is the Government—they are one and inseparable, one and indivisible.

**Mr. Hollett:** During the first five years of this agreement no release shall be made; if

the Anglo-Newfoundland Company and Bowaters decide after that assessment they want timber or require timber down there to help support an increase in their own pulp facilities—there is no use for them to apply for five years.

**Mr. Smallwood:** That is right.

**Mr. Hollett:** Do not enter here—nobody is allowed in—

**Mr. Smallwood:** They have to make a real study, get to know every tree.

**Mr. Hollett:** But what about all this study about which I read, IBEC and the Report of the Forestry Commission—I read them cover to cover, and my impression is that, in that particular area I pointed out in this chart here, there are some nineteen million cords of wood; in this particular area. This concession lease will include all that nineteen or twenty million cords of wood on the Labrador. So that I think there ought to be sufficient wood there—and that is one of the things worrying me.

**Mr. Smallwood:** Assuming there are nineteen million cords of growing timber—how many cords would it be safe to cut out of the nineteen millions where the growth is pretty slow? To get a million cords a year there has to be a good amount of timber. We do not know how many cords are there. Nobody knows that. We know what is in Lake Melville, but not in Sandwich Bay or Alexis Bay with which we are concerned in this matter.

**Mr. Hollett:** At any rate after five years the Anglo-Newfoundland Company and Bowaters, if they want to take wood from down there, they will be given a concession of about two hundred thousand cords, I think, per year.

**Mr. Smallwood:** That is roughly about twenty per cent of what they are cutting now in Newfoundland between them.

**Mr. Hollett:** I would like to be corrected on this, but it seems to me that if Crown Zellerbach, in their wisdom, decide they could not afford—(in view of their plans to increase their pulp facilities there) to release that amount, then they would have the last say. I

gather that from the Bill—We will come to that, as I say again. Here is another point—if they do go into operation there in Labrador, they can manufacture newsprint, pulp paper, lumber supplies, wood and other processed products. I gather that, for two years in Newfoundland and twelve years in Labrador the Corporation has the exclusive right to explore and investigate—I think I referred to that before—before anyone else can come in there, in all that territory. In Newfoundland, that takes care of every inch of Crown Land, every inch of it.

**Mr. Smallwood:** Crown Lands timber.

**Mr. Hollett:** Crown Lands timber, yes. There is something else, too, I was not keen on. The Corporation may cut any quantity of timber in Newfoundland and Labrador in the first two years, and may remove from the Province or elsewhere—dispose of such timber—That is during the two years in which they are investigating here in Newfoundland—During that two years, they can cut timber either in Newfoundland or Labrador, as they like, and dispose of it as they please. That, too, will be discussed when we come into the Committee stage. They can cut it and dispose of it in any matter, of course paying a royalty on any timber which is cut, at the rate of fifty cents per cord. Now I come to another one, which to me is involved, in a sense, in the principle—Although, as we say, we favour the general principle of the Bill there is one thing, about the traditional rights of Newfoundland, which I think either I do not understand correctly or the people who drafted the Bill—

**Mr. Smallwood:** Is this the honourable gentleman's secret weapon? His pen. He can't talk without it.

**Mr. Hollett:** You see, Mr. Speaker, the Premier is just a bundle of nerves. That is all. You see, Mr. Speaker, how irritated we can become over tiny, little things and yet the big things don't seem to worry us at all. A slight thing like clicking a pen seems to upset some people. I think, Mr. Speaker, you ought to rule that no pencils be brought into this Chamber—Exactly—as my hon-

ourable colleague says—fine a man five thousand dollars for putting his key in his lock on Water Street, without blinking an eyelash.

**Mr. Smallwood:** He probably does it so quietly you cannot hear.

**Mr. Hollett:** Yes, if I click my pencil—

**Mr. Speaker:** I think this is hardly relevant.

**Mr. Hollett:** Detouring, Sir.

**Mr. Speaker:** It has been suggested to me that a recess might be in order. On motion, the House recessed for ten minutes after which Mr. Speaker resumed the Chair.

**Mr. Speaker:** The Honourable Leader of the Opposition was speaking when the house recessed.

**Mr. Hollett:** Mr. Speaker, at recess time I was about to refer to what is termed in the agreement "Traditional Rights of Newfoundlanders" to acquire wood for fuel, fencing, flakes or building vessels, for masts, poles or any other bona fide domestic or fishing needs whatsoever, and the rights of operators of small saw-mills to acquire timber for their operations. Now, as I read the agreement, it appears to me that these rights no longer exist for the next two years following the signing of this agreement. That is the way I read it—for the next two years, following the signing of the agreement, it will not be right and proper or legal in fact it won't be allowed that these traditional rights be taken advantage of by our people.

**Mr. Smallwood:** What rights are these?

**Mr. Hollett:** Traditional rights.

**Mr. Smallwood:** Such as?

**Mr. Hollett:** Acquiring wood for fuel, fencing, flakes, the building of vessels, masts, poles or any other bona fide domestic or fishing needs whatsoever, and the right to operators of small saw-mills to acquire timber.

**Mr. Smallwood:** If my honourable friend

will allow me—he is quite wrong—that is not so.

**Mr. Hollett:** My only answer to that, Sir, is to read the section concerned.

**Mr. Smallwood:** It is for the next two years that they are continuing these rights. There is no diminution of them in the two years. It is after the two years expire, and the delimiting is done between Crown Zellerbach and what the Crown of England gets, the public, receives—it is then, on what Crown Zellerbach gets, that these traditional rights, some of them, not all, cease; but during the first two years they do not cease at all.

**Mr. Hollett:** Yes, I believe that I am wrong there. I will read the section anyway:—12—(2) Until such time as the Corporation shall notify the Government pursuant to sub-Clause 4 of this Agreement that the Corporation intends to proceed with the construction of the first stage of the newsprint mill, the Government reserves:—

- (a) The right to issue and grant, lease, licence or permit that the Crown or any Minister of the Crown is lawfully entitled to issue under the Crown Lands Act, (Chapter 174 of the Revised Statutes of Newfoundland, 1952) or under any other statute or law except a timber grant, lease or licence, but not accepting any permit to cut timber.
- (b) The traditional rights of Newfoundlanders to acquire wood for fuel, fencing, flakes, for building vessels, for masts, for poles or any other bona fide domestic or fishing needs whatsoever.
- (c) The rights of operators of small saw-mills to acquire for their operation, in the Island timber limits and the Labrador timber limits.

What happens after that? That is the note that I have here.

**Mr. Smallwood:** May I? Purely for the purpose of assisting my honourable friend in his remarks—What happens after the two years? Assuming that Crown Zellerbach

elects to build and proceed with the plan—What happens is this:—ALL Crown Lands on the Newfoundland Island has been divided into two lots by the Government of Newfoundland, one for the purpose of the public use and the other for Crown Zellerbach.

**Mr. Hollett:** Not yet?

**Mr. Smallwood:** No. During the two years, the division is made by the Government of Newfoundland of all the Crown Lands on the Island of Newfoundland into two lots. One lot is for the public's use—Scattered around the coast, in behind the settlements. The other lot, not one completed patch but scattered also, goes to Crown Zellerbach. Now, in regard to what goes to Crown Zellerbach, if they elect to build the mill, the traditional rights will continue to exist but only in so far as the right of the Government is concerned, to grant lands on that land for farming, for cemeteries, schools, churches, towns, villages, settlements—That right will continue unimpaired—Secondly, the right of the public to traverse that land, continue to fish on the rivers, to navigate the rivers to walk on the land, to hunt, to fish, to shoot, to trap, all these rights will continue, but not the right to cut timber on the portion of the whole that goes to Crown Zellerbach at some point within the two years—But the ordinary traditional rights will continue forever, but not the right to cut timber. You cannot give a paper mill the right to cut timber, and give it to the public at one and the same time.

**Mr. Hollett:** I am still not satisfied, Mr. Speaker, because it says "until such time as the Corporation shall notify"—and they are given two years to do it—Until such time, the Government reserves the traditional rights.

**Mr. Smallwood:** We agree in the meanwhile not to give away the very timber we are going to reserve for the paper mill.

**Mr. Speaker:** Order—If the honourable Leader of the Opposition will excuse me—In view of the extreme importance of this Bill I am allowing a very great deal of latitude in debate on second reading, but it

does not seem to me that we should not anticipate too closely the functions of the Committee stage, the function of the Committee of the Whole. We do seem to be now approaching work that could be done in Committee.

**Mr. Hollett:** Yes, Mr. Speaker, I agree, and I thank you for the privilege of overstepping the bounds a little bit, because of, as you suggest, the importance of this Bill. However, we will go into the Bill more fully when we come to Committee stage. What we all want to do here in this house, I am sure, is to preserve forever the traditional rights of our people, particularly our people on the coast and the people who have small saw-mills and so on. There is another section there which states the Crown Zellerbach people will be given the right of first refusal to purchase timber cuts on these lands. That too, I take it, we will have to look at when we come into the Committee of the Whole Stage.

The agreement, which is part of the Bill, because the Bill definitely says the agreement is law, gives the corporation (or any other person to whom it may assign its right, the right to cut any amount of timber and dispose of it, any amount of timber, and dispose of it at will; and to export one hundred thousand cords a year for ten years and fifty thousand cords a year thereafter, and as I read it, without limit for the amount for sale in the Province; and the Corporation is not to be bound by cutting regulations, export quotas, permits required for sawing lumber or any other purpose as now or hereinafter established by the Government; but they cannot remove from the Province more than one hundred thousand cords a year for the next ten years and fifty thousand cords thereafter. As I see it, the Corporation is given unlimited right, shall I say, the right to cut unlimited quantities of timber even during that twelve year period on the Labrador, even there—I may be wrong, but that is the way I am reading it at the present time, and we will also come to that on the particular section. As I pointed out, Sir, this Bill is so important it is right and proper we should all understand every clause, every comma, every full stop and everything else that is in it. Then again I find that all the rights of privileges of the

Crown Zellerbach Corporation are assignable by them to any persons or company or corporation—In other words the Crown Zellerbach Corporation can stay there forever or ten years and then assign it to anybody else.

**Mr. Smallwood:** What they will do in fact is, the minute they begin to build, they will form a Newfoundland wholly-owned subsidiary company and assign all their rights in this agreement to that wholly-owned subsidiary.

**Mr. Hollett:** Not only that, they can assign their rights to anybody whether a subsidiary or not. That is the point I am making.

**Mr. Smallwood:** That is true, they can.

**Mr. Hollett:** It is immaterial whether the Government likes it or not.

**Mr. Smallwood:** That is true—That is absolutely true.

**Mr. Hollett:** Then we come to the royalties—That has been very well explained by the Hon. the Premier, I am sure. We do lose fifty cents a cord on the first nine hundred thousand cords cut—I take it that is to let the Government out of its agreement with Mr. Silver—He will have more silver than ever he had after this thing is over, I am quite sure. However, we are hoping for better things, even with Mr. Silver out of the picture.

There is another section—I cannot recall the number of the section at the moment—with regard to the acquisition of private lands—I am quite sure nobody in this house can like that particular section, because it appears that Crown Zellerbach may come in on my land and say—"Look here, Mr. Hollett, we want that twenty acres you own there"—It is no use for me to say they cannot have it—They can come in on my land, or anybody else's land, and do what they want with it, take possession of it, and then they can refer the matter to a board of arbitrators; and I have to take whatever the arbitrators suggest. But the fact is they can come in on any private land and take it from the person concerned.

**Mr. Smallwood:** I do not think that is so.



Can they go in on Bowater's land the Anglo-Newfoundland Company's land, can they go in on any privately owned land and take what they like?

**Mr. Hollett:** I will read the section, if I may, Mr. Speaker?

16—(1) If the Corporation is desirous at any time of acquiring private lands or any rights therein or thereover, for or in connection with, or incidental to the construction, operation or maintenance of any facilities of the Corporation in the Province, the Corporation may, with the consent of the Government, but without the necessity of obtaining any judicial or other authorization or order, enter upon and assume possession of any lands belonging to any person or company, or any rights therein or thereover that may be required for the purpose aforesaid, or any of them, and the compensation to be paid by the Corporation to the owner or lawful occupant for and in respect of such lands or rights or the damage or injury sustained by the owner or lawful occupant through the exercise by the Corporation of its rights under this clause shall, unless settled by private agreement, be determined by arbitration to be conducted in accordance with the Provisions of Clause 19 hereof."

**Mr. Smallwood:** May I say to the honourable gentleman—We have at least two pieces of legislation at the moment which, without the passing of this Act or this part of this Act, gives them the right—Anyway we have that right for industrial development, for the erection of plants or factories or any kind of industrial establishment—The Government has that right now. We have used the right a number of times in recent years—The Government has the right to step in and expropriate the land for the building of factories. Now we are giving this company the right to expropriate, with proper payment and arbitration, for the building of a paper mill, but only with the Government's consent.

**Mr. Hollett:** In other words, the Government is giving over its power to this Company.

**Mr. Smallwood:** No it is with the Government's consent they do it, from time to time and from place to place, and on occasion to occasion, only if they have the consent of the Government each time and in each place and on each occasion. It is not a blanket consent.

**Mr. Hollett:** It means these people come to the Government and say—

**Mr. Smallwood:** They want to build a mill, and there are four or five people on the land there—Say Bowaters owns the land—Say they want to build in Bay d'Espoir on a piece of land Bowater owns—With the consent of the Government they take that land—The settlement of the price of the land would be by arbitration—What is wrong with that? We have done it a thousand times in Newfoundland.

**Mr. Hollett:** We had that argument some time ago, about the Government being allowed to go and take a piece of land for roads, and we all agree roads are very essential—The Government only takes a piece of land for roads?

**Mr. Smallwood:** Not so—We have an Act enabling us to take any piece of land anywhere in Newfoundland for industrial purposes. We have the Act. It was passed—It is not only for roads, but for industrial purposes.

**Mr. Hollett:** It can be taken with the consent of the Government by this Corporation.

**Mr. Smallwood:** That is right—for the purpose named. That is as it should be.

**Mr. Hollett:** I do not think it should be. It does not sound right. It does not sound democratic at all that they should come to me—If I owned a piece of land and they say—"Look here, we want to take that property and will pay so and so." I bargain and sell it, that is proper. What is not proper is for them to come without consent and say "We have come to take that land"—I ask, what are you going to give for it. They say "We don't know"—and then appoint an arbitration board to see what I get.

**Mr. Smallwood:** It happens hundreds of times.

**Mr. Hollett:** In Russia, not anywhere else.

**Mr. Smallwood:** In Newfoundland, England, Canada, generally.

**Mr. Hollett:** Not at all.

**Mr. Smallwood:** The Federal Government does it very frequently.

**Mr. Hollett:** There are various other things we shall bring up—Then if the Corporation makes a default on anything that is in this, it does not invalidate the agreement. That again is something we have to come to. That you will find in Section 25, I believe it is. "Except as expressly provided in this Agreement, no default by the Corporation hereunder, or under any exploration lease or timber lease granted to the Corporation hereunder, shall result in any termination of this Agreement or of any such lease, or constitute grounds for such termination by the Government, but the Government shall be entitled to exercise any and all remedies provided by law for the enforcement of any and all obligations, covenants, and liabilities of the Corporation under this Agreement and under all such leases."

**Hon. L. R. Curtis (Attorney General):** Is not that normal?

**Mr. Hollett:** I don't know.

**Mr. Curtis:** I think your hon. friend on your left will agree that that is normal.

**Mr. Hollett:** It provides they can make defaults, make delays, but any other defaults they make they can get away with—I only raise the point so we can go into it more fully when we come to Committee stage. I have gone through some of the literature sent here to the house relative to the "bona fides" of the Corporation—We all know it is a big company and we all hope and pray that they will be able to establish a newsprint mill, whether it be in Bay d'Espoir or on the Burin Peninsula or anywhere in Newfoundland, and then be able to set up pulp mills on the Labrador, or in Newfoundland, using wood from the Labrador.

**Mr. Smallwood:** The pulp mill will be built in the same settlement as the paper mill.

**Mr. Hollett:** Even if it is five hundred tons it will be worthwhile, and if it went up to two thousand tons it would be wonderful—That is something I did not know, that the pulp and paper mill be in the same settlement. That in itself will create a tremendous amount of work. It is going to create a tremendous amount of shipping to and from Labrador, and it is going to mean a lot of people in Newfoundland are going to get satisfactory material returns for their labour—We all do hope and pray this comes to proper fruition, and that the Government will be successful in getting this agreement finalized after a few amendments we hope they will consent to make. We feel sure it is in the best thing we have seen since 1949. We have seen a lot of things since 1949, and as I pointed out, I have seen the Hon. the Premier very enthusiastic about them, when in fact they did not turn out to be very much at all. What pleased me more than anything else, as I have already said, is the manner in which the Hon. the Premier brought it in yesterday. I had to take a second look at it, and I am convinced that it is a wonderful thing for Newfoundland, and I only hope that the matter can be finalized soon. I hope it does not take two years for this company to make up their minds, and I hope it does not take twelve years to make up their minds in the Labrador; because I am quite sure the quicker we can get something like that for our Province, the sooner we will stop some of the people who are going to have to leave this Province unless we get some employment. We support the Bill, Sir.

**Hon. J. G. Higgins (St. John's East):** Mr. Speaker, I think that any further comment from this side is largely a matter of endorsement of the position as outlined by the Hon. Leader of the Opposition. There is no doubt at all about it that, irrespective of political affiliations, this is a measure that commands the wholehearted support of everybody in this house. The implications of the successful development along the lines that this agreement contemplates are really incalculable. I was very happy to see that the Premier was completely honest in his presentation.

Now he said we are dealing with a "hard-shelled" crowds. There is no doubt about it they are a "hard-shelled" crowd.

**Mr. Smallwood:** They are honourable though.

**Mr. Higgins:** I am prepared to believe they are—There are times the honourable man is hard to deal with, the crook gives you some things that look good. There are things in this quite truthfully, and particularly one clause, Mr. Speaker, that seems to me to be fraught with very serious implications, i.e., Clause 22. Clause 22 really regulates the whole agreement. You notice from time to time, Sir, as you go through the agreement, "subject to Clause 22 this shall happen"—Well now Clause 22 provides that:—"If the performance of any of the obligations or conditions contained herein shall to any extent be prevented, restricted, delayed, or interfered with by reason of (a) war, revolution, civil commotion, riot, acts of public enemies, blockade or embargo..." and this shall happen and that shall happen—Well now Clause 22 provides that if the performance of any of the obligations or conditions incumbent upon the company shall to any extent be prevented, restricted, delayed or interfered with by various things such as war, revolution, riot etc., the party so effected shall be excused from the performance of such obligations. Amongst the causes that would form the basis for an excuse on the part of the Corporation is a very significant statement, "adverse, commercial, economic or market conditions"—In other words, if, at the end of the two years, Crown Zellerbach says: "Well now, it is true we have made our survey, it is true that under Clause 4, within two years, immediately following the signing of this agreement, we have to make our decision as to whether we are going ahead with the establishment of a newsprint mill, but we now find that economic conditions are not too favourable, market conditions are not good or commercial conditions are not good, therefore we are not ready to move yet." Now in effect, Sir, as I see it, this two year period is not a minimum period at all, and we could find ourselves in the position that Crown Zellerbach—and I do not want to be misunderstood in this, Mr. Speaker—I am not just trying to split hairs on the matter—but it could mean that Crown Zellerbach might find itself in the position, perfectly honourable, perfectly honest, but as a matter of hard business, of reserving to itself a

vast timber resource for a long period without being compelled to do any actual development. If they can say—"Well, working conditions just do not warrant our going ahead"—I take it if there is any difference of opinion, the position for referring to an arbitration would be applicable. That is a matter on which the law officers of the Crown can advise the Government, but I do say, Sir, that it is a matter of concern; if conditions do not improve, if the market stays, shall we say, as it is or does not strengthen to any great degree, will we find ourselves at the end of the two years in the position that the Corporation will simply say "we are not ready to proceed just now and are not obliged to proceed?"

**Mr. Smallwood:** The honourable gentleman is leaving something out there—if this, that, or the other thing should happen—Then read on

**Mr. Higgins:** "The party so affected, upon prompt notice to the other party, shall be excused from the performance of such obligation or condition hereunder to the extent of such prevention, restriction, delay or interference." Well now, that is exactly the position—Crown Zellerbach is in the driver's seat. They say "we are in the market we know the business, we are the ones most competent to decide"—Quite truthfully, Sir, I would be inclined to say, if one were an outsider being asked to decide between the Government and Crown Zellerbach, as between the expert operators in the field and any Government—I am not saying this Government, but any Government—the unbiased opinion might well be that the man who is engaged in that line of work is much more competent to decide when conditions are favourable and when they are not—and to that extent you can have the agreement suspended or curtailed—We have the position, Sir, and I am not saying there is anything dishonest in this, I am not saying the Government has not made the best deal they could make, but I do say, Sir, it is a clause to which this House will have to address itself more and more as it discussed this Bill in Committee Stage. It may be that this represents the final word on it. If it does, it certainly is something we have to consider very seriously. That to my mind, Sir, is perhaps the most significant clause in

the whole thing. Everything that is undertaken to be done, all the benefits which are to accrue to us, are subject to the conditions which can occur; and these conditions, Sir, are very wide, anything from enemy action to Acts of God to general world economic conditions. I feel, Sir, that we cannot pay too much attention to that aspect of it. If there is any way that particular proviso, which certainly favours the corporation and not the Government, can be ameliorated, I think we certainly should strive to do it—Other than that, Sir, the purpose and intentions of this agreement, and we hope the results that are going to flow from it, will be to the good of the country—I think the Government are certainly to be congratulated on at least their honesty of purpose.

**Mr. Duffy:** (St. John's Centre): Mr. Speaker, I think the Hon. Leader of the Opposition has done a very good analysis on the proposed Bill, particularly in view of the short time it has been at his disposal. I might say as an ordinary layman, and I am both ordinary and a layman, I feel that it is not only difficult, but it is impossible without complete study—and of course I have not the time for that—to examine the Bill very closely. It seems to me that one good thing about it is that Crown Zellerbach Corporation is a big one, one of the biggest. Perhaps that is probably one of the greatest safeguards we have that these people, according to what we have been told, they want to expand and want to expand in this direction, and consequently if the surveys, the timber and engineering surveys, prove satisfactory there seems to be little doubt that this will become an actuality. But with the short time that we have had to briefly examine the Bill it seems apparent that, (I think the Government will agree with us,) Crown Zellerbach has got itself a good deal, assuming the surveys are satisfactory. I can say little more except to say that our leader has here again done, in my opinion, a very good analysis at this stage, and it is the hope of all of us that this will eventuate. It would be foolish to be critical of the principle. The principle is certainly sound. I am sure it is the hope of all that this will eventually be an actuality to the good of Newfoundland.

(Applause).

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

Speaker, once again the Newfoundland Legislature has been called upon to examine the preliminary negotiations and work involved in a very important piece of proposed legislation, which is likely to have an effect, a wide-spread effect, upon the lives of a great many Newfoundlanders. I feel that this particular Bill has the earmarks of a very tough rear guard action by the Government of Newfoundland, in trying to present to this House a Bill which normally and reasonably could be accepted by a Newfoundland Legislature. I feel it is a very hard, rigid, if you will, Bill, which places most of the advantages on the side of the Corporation. This, however, is not to be taken in too alarming a fashion. I submit the thing to be considered, Mr. Speaker, is in the broad view—what is best to be done? There are schools of thought these days which hold, first, that in this modern age of quick changes and modern communications, the day of granting blanket concessions to corporations is over. That school is of the opinion that we should no longer fall for one particular deal, nor for one particular transaction, which would in a very broad way tie up our remaining resources in this Province and in Labrador.

I do not say that I completely agree with that school of thought. I feel that, in a transaction such as this, we have to weigh the possible advantages, we have to consider with whom we are dealing, we have to consider the point that our country is largely an undeveloped one; we have to consider the point whether or not we are justified in taking a step such as this, which will, or may quite possibly, step on the toes of a great many people throughout this Province when it begins to get into operation. But, in the broad view, one has to consider whether the possible development embraced and embodied in this Crown Zellerbach deal will be for the ultimate good of the future of this Province.

Now, I would think that the Government might have had some agonizing appraisals of some of these clauses and some of the general principles of this Bill. It gives, in effect, all the Crown Lands in this Province for a period of exploration to the Crown Zellerbach Corporation. There are clauses in this agreement, as there are in any agreement of this sort, which provide reason-

able means of reaching a reasonable conclusion on a lot of points. We have the fundamental and well accepted machinery for arbitration. I can foresee possibly the machinery for arbitration being needed in certain instances. I think a lot will depend upon the conclusions of the survey. The survey, to my mind, is a very important point. We do not know as yet what areas can be delineated for the preservation of the traditional rights. That, I think, will be worked out. I trust it will be worked out by the Government, having in mind the necessity for adequate reservations for the inhabitants of this Province.

I think, Mr. Speaker, that there is not much point at this stage in my commenting in any great detail upon the Bill, clause by clause. We have, through the Hon. Leader of the Opposition and through my hon. colleagues on my right, expressed an acceptance of the general principle. We feel that the Bill should have a very good effect when dealing with a reputable corporation and we can hardly conceive of anything other than good coming of it.

As to the interpretation of the agreement—there is one clause there, you will notice, which says that the interpretation of this agreement or contract shall be under the Laws of Newfoundland. That, I submit, Mr. Speaker, is one of the consoling features of this Bill. At the beginning, it says that the agreement will be substantially the same as in this schedule hereto, which is substantially the same as the draft agreement set forth in the schedule to this Act—I trust, Mr. Speaker, that nothing can arise which would substantially alter the draft form of the agreement, as attached thereto. I do not quite understand that particular reference. We may, as we reach Committee stage, get some elaboration and elucidation of what that actually means.

I have little more to say, Mr. Speaker, except that my vision soars (as much as any other Newfoundland) into the future, where I can hope for a development rising from this proposed Bill. Needless to say, I am thoroughly in accord with the hon. member here at my right and every hon. member in this house in hoping that this very, very important Bill, which we are discussing in this house today will be a turning

point in history, we hope, for the welfare of our Province and our people.

(Applause).

**Hon. P. J. Lewis** (Minister without Portfolio): Mr. Speaker, I think that this measure now before the house is of such transcending importance to the future of Newfoundland and its people that as many as us who feel so disposed should express our views in relation to it. It is a very happy augury for the Bill and its future consequences that the members on the other side of this house have unanimously endorsed the principle behind the legislation. No doubt, Sir, as the matter progresses through the Committee stage, there will be raised points upon which there may be some disagreement but that, to the contrary, it is a very pleasant thing to see that both sides are agreed that the principle of this Bill is one which should receive unanimous endorsement.

Now, I am not amongst those who are inclined to be too buoyant about this measure, because I can see the possibility that the very pleasing project envisaged may not, as the future unfolds, become a realization. If that unfortunate consequence should follow, it would be tragic for Newfoundland and its people. I am sure that we all feel, and I certainly do, and hope that what this Bill envisages for Newfoundland and its people will more than be fulfilled as years go by. But nevertheless, Mr. Speaker, we have to keep our feet on the ground, and we have to realize that what is implied in this Bill is, as I see it at any rate, something that has been long overdue in relation to Newfoundland and its so-called natural resources. Either we have the timber, and that timber is commercially feasible as a natural resource, or we have not. If we have the timber both in Newfoundland and Labrador, then this Bill, as I see it, and those people who are behind it, and as qualified as any to assess that position and to say, once and for all, whether or not the timber that is left on the Crown Lands of Newfoundland and the timber which we know to exist on the Crown Lands of Labrador can form the basis for this very wonderful project. Up to this moment, no man, either within this house or without, can state as a fact whether or not

the timber which is growing on Labrador can be produced and delivered at a mill site at a cost that is commercially feasible and economically sound, from the standpoint of an agreement of this nature. But, after hearing the comments of the Premier, which are of course based upon fact, there can be no doubt that the people who are on the opposite side of this agreement, (i.e., the Crown Zellerbach Corporation,) are eminently fitted both by experience and ability, and by the finding "where-with-all" to do what Newfoundland most absolutely requires, i.e. to have a complete and exhaustive analysis of our timber resources with a view to seeing whether or not we can get a third paper mill in this Province.

That, Mr. Speaker, to my mind, is the crowning feature of this piece of legislature, and that is the fact about it which commends itself, or at least should commend itself, to all reasonable thinking men. Newfoundland needs this industry in order to stabilize our economy. If it can be brought to fruition I think, Sir, that that goal will have been realized. If the day will come when, in the few years that are mentioned in this agreement, a project of this nature is established on the Southwest Coast of Newfoundland what a "god-send" it will be, how it will establish and equalize the economic position in this Province, what a tremendous boom it will be to the people of that area who are so badly in need of a shot in the arm; what a wonderful thing it would be if the natural resources of that great inlet of which we have heard so much are turned to account as the basis around which this development is to take place over in Fortune Bay,—which again has tremendous, far-reaching possibilities of Newfoundland. Maybe, as I said, we shall see these things come to fruition. If we do, Newfoundland, Sir, will be a much happier place in which to live and our people will have sense of security such as they have not enjoyed up to the present time.

If I may be permitted, Sir, at this time to inject a note which may be foreign to this Bill; it seems to me that Newfoundland is about to turn the corner, financially and physically, from a Governmental standpoint. We have reached a stage in our history such as we have never seen before. I think that it is not an exaggeration to state, in the light of recent developments, that

Newfoundland has turned the corner from the standpoint of Government finance. But good and all as that is, (and it is a wonderful thought to realize,) we still need, tremendously, a stabilization of our economy, and that is where this Bill can supply the want. Our fisheries, much as been said about them, are languishing, in spite of the fact that this Government have poured into the fisheries large sums of money within recent years. Had it not been for that fact, Mr. Speaker, where would our fisheries be today? We would not have had any development worth while in our fresh fish industry. Why? Because we did not have the capital in Newfoundland with which to develop our fresh fish industry. Our salt cod-fish industry would have languished, (as it has) and we would have been left almost entirely dependent on the pulp and paper industry and a few mining industries that there are in the Province to sustain us.

So it is so, Sir, that it is absolutely imperative that something be done, some extraordinary effort has to be made, in order that we broaden the basis of our economy and provide for our people a source of sustenance and earnings which we have not at the present time. If God would be good enough to Newfoundland to give us sufficient timber both in Newfoundland and Labrador to sustain another paper mill, so that thousands of our people can obtain the type of livelihood to which my hon. friend, the Leader of the Opposition, referred to as existing in other areas such as Grand Falls and Corner Brook, then indeed, Sir, Newfoundland would have gone a long way toward getting around the economic corner, as she has, I believe, gotten around the physical corner at this moment. Therefore, Sir, in approaching this agreement, endeavouring to analyze it, I bespeak, on behalf of this House of Assembly a sympathetic approach. The hon. members of the Opposition have been generous and just enough to pay tribute to those who were responsible for the setting up of this Bill, to those who, through their effort and endeavours, have been successful in inducing to this part of the North American Continent this company which comes to us with such endorsement, which comes to us with credentials that are beyond approach. That in itself, Sir, is a tremendous tribute to the

people who are responsible. I think it is an open secret that the merit there goes largely to the Premier and to those close to him who organized and directed the negotiations.

I say, Sir, therefore in the appraisal and analysis of this Bill, we should do it in a broad-minded, sympathetic way, not being too critical, because Newfoundland's position as a bargainer in this kind of thing has never been strong. Let us hope that, in the future, that situation will change. There are men in this house, Mr. Speaker, who remember the debates which took place when the legislation that brought about the establishment of what is now known as Bowaters Pulp and Paper Mills was being discussed within these four walls. You will remember, Mr. Speaker, that in that Bill there was one measure, one provision, which required Newfoundland, (which was then in a much weaker state financially than she is today) to go on the back of a note to the extent of ten million dollars, and the security which she obtained at that time was a second mortgage which was demanded by, and given to the Imperial Government.

**Premier Smallwood:** Afterwards it had to take third place.

**Mr. Lewis:** Yes, and more than that, Mr. Speaker, it meant that Newfoundland, at that time being in a position of second mortgage, being guarantor of ten million dollars, was actually responsible for money advanced under the first mortgage, because unless in a position to redeem the first mortgage in the event of default she would lose the ten million dollars. But not withstanding these great difficulties and the battles that were fought across this house, the Corner Brook mills became a reality, and have made contributions to the economy of this Province, which is inestimable not only in dollars and cents but insofar as our people are concerned. So you may go back another fifty years, to the turn of the century and to the establishment of that great industry at Grand Falls. It is true there were no guarantees involved in that, but nevertheless, when you look at the legislation, you will see that Newfoundland leaned over backwards, because the thinkers and leaders of that day realized what a tremendous boom such an industry would be

to this country and future generation. Posterity has proven them to be right.

It is a pleasure, Mr. Speaker, and I feel that I speak for other members of this house, to be associated with a measure such as this which we are now discussing; the full implications of which are so great and can be so far-reaching as far as the future generations of Newfoundlanders are concerned, that, if by the grace of God it becomes a reality and can be developed into what we all hope, then each and every member of this Legislation, whether it be on the Government side or whether it be on the Opposition, whether it be the Premier, the Leader of the Opposition or the man who has the responsibility of directing the policy of the Department of Labour, will be able to look back with pride, and their descendants will have reason to feel proud of the part that we all have been able to take, and have been privileged to take, in bringing this measure to fruition before the Legislature of this Province.  
(Applause from both sides):

**Premier Smallwood:** Mr. Speaker, if there is no one else to speak, I will delay the house only a matter of a few minutes in closing the debate, first by expressing my very sincere thanks to the hon. members of the Opposition for the high minded, patriotic and very practical position they have taken on this Bill. They have taken the position that is irreproachable. They could not say more and they could not say less than they have done. Like us, like all Newfoundlanders, they hope that this thing will work, they hope that the surveys Crown Zellerbach will make, will indeed satisfy Crown Zellerbach that they ought to go ahead with this project.

Now, there was one point raised by the hon. and learned member for St. John's East that deserves a reply, and I think it is a point to which I can reply without difficulty. He says that, if the performance of any of the obligations or conditions shall be to any extent prevented, restricted, delayed or interfered with by reason of; (and then follows a long list of reasons) war, revolution, Acts of God, non-delivery, pre-delayed delivery of material and equipment of supplies or adverse commercial, economic or market conditions, or any other cause whatsoever beyond the reasonable control of the Crown Zeller-

bach Corporation, then Crown Zellerbach shall be excused from the performance of these obligations or conditions to the extent, or in other words, to the same extent as the prevention or restrictions, delay or interference referred to at the beginning — If my hon. and learned friend were writing this agreement, if he were the Attorney General of this Province, or if he were one of the law officers of the Crown or a member of the Cabinet writing this agreement or examining this agreement or just called upon to approve or disapprove in Cabinet, would he not agree to every word in that clause?

**Mr. J.G. Higgins:** (St. John's East): No.

**Mr. Smallwood:** Every word in it without exception, because consider what this agreement means: Do we want, in fact, to force Crown Zellerbach within the two years to begin the construction or to announce the beginning of the construction of a paper mill, if when the two years are up there is a world depression on? Do we want to force them to build in that case? If there is a war on, or if for any good reason beyond their control it is just not practical. That might well be the case. Do we really wish to put Crown Zellerbach in the position where they must begin to construct the mill or lose all?

If we do, if we do wish to put them in that position, which I hope we don't, which I hope the hon. and learned member himself would not want to do, but if we do, is it likely that any real and solid company in the world today, Crown Zellerbach or anyone else, would be willing to be forced into that position where war or no war, world slump or no slump, over production or undersales of paper and paper products or not as the case may be, that they must within the two years announce the construction of this mill or lose everything? Would they be willing to be put in that position? Are we to demand that they agree to be put in that position? I say, "no". We have considered this in Cabinet, we have considered it carefully and we say, "no." We ought not to expect them, and if we did expect them they would not do it. If the hon. and learned member were the Attorney General, he would take exactly the position that the Attorney General had

taken, and if the Hon. the Leader of the Opposition were the Premier he would take exactly the precise position. That is practical common sense. However, this is a very minor point of argument that the Opposition has raised, and the fact that they have used about half the time they occupied in the discussion of this Bill by dealing with that and one or two similar points, points of a similar nature or lack of magnitude is pretty good evidence that the Opposition are convinced in their minds and in their hearts, as we are, that this is solid legislation; that we are dealing with a solid company and one that can be depended upon to do the right thing, and cannot be forced to do the wrong thing. Now, that is as much as we can hope for. That is as much as we can reasonably expect in a deal so big as this one before us.

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

**Mr. Smallwood:** Mr. Speaker, I move that the remaining Orders of the Day do stand deferred — In moving that the House at its rising do adjourn until tomorrow, Thursday at 3:00 of the clock. I do so with the knowledge that on tomorrow, Wednesday, Newfoundland is to be visited by a distinguished Canadian statesman, no less than the Prime Minister of Canada, (for another few weeks) and that my honourable friends opposite would, if they were present in this Chamber in the flesh would not be present in spirit, and that therefore the public business would suffer seriously, if they were here in the flesh and up in the "CLB" Armoury or in the motor cavalcade or somewhere else tomorrow — As we do not want the public business to suffer, as we want the wholehearted and disinterested views and guidance of the Opposition in our legislation and cannot have it tomorrow, I do feel that we all feel that we ought not to come here tomorrow. Indeed, some of us will want to take a look through some blind or curtain at the cavalcade tomorrow to see how the "Tories" manage; and those of us who are adept at judging things will be able to estimate within a few hundred how the voting is going to be in St. John's on the 31st. of March. So they had better get set up a good cavalcade for tomorrow, or some of us



will be disappointed in this house, and the disappointment will not be on this side. However, Mr. Speaker, I move that the House do now adjourn, at its rising, until tomorrow, Thursday at Three o'clock.

**Hon. L.R. Curtis** (Attorney General): Mr. Speaker, before the motion is put I wonder if I might give notice of two Bills for tomorrow.

On motion and agreed by the house, the Hon. the Attorney General asks leave to give notice that the will on tomorrow ask leave to introduce a Bill, "An Act to Provide for the Establishment of the Alcohol Education and Research Foundation," and a Bill, "An Act to Amend the Agreement Made Pursuant to the Act. No. 32 of 1954 between the Lieutenant-Governor-in-Council and Dominion Steel Coal Company Limited, Dominion Wabana Ore Company Limited and Nova Scotia Steel and Coal Company Limited."

On motion, all further Orders of the Day do stand deferred.

On motion, the House at its rising do adjourn until tomorrow, Thursday, at three o'clock.

February 20, 1958

(Afternoon Session)

The house met at three o'clock.

**Mr. J. R. Smallwood** (Premier): Mr. Speaker, it had been my intention at this moment to make a very important statement on public affairs, but to tell the truth, Sir, I have just come from a very festive occasion, on which occasion a very distinguished Canadian Statesman was the guest of honour. The result is that I just have not had the necessary time in which to make preparation for this statement. So, instead of making it today, I propose to make it at this same time at the opening of the house tomorrow.

#### Presenting Petitions:

**I. Mercer** (Fogo): Mr. Speaker, I wish to

present a petition on behalf of the people of Seldom, Little Seldom and Wild Cove. In case some members of the house do not know where these places are, they are on Fogo Island. The petition, Mr. Speaker, is addressed to the hon. House of Assembly in care of myself, as the representative of the District of Fog. It prays that electrical power be supplied to the whole of Fogo Island. It is signed by two hundred and fourteen residents of these three places. I beg leave, Sir, to table it in the house and have it referred to the Department to which it relates.

On motion, petition received for referral to the Department to which it relates.

**Hon. Dr. F. W. Rowe** (Minister of Education): Mr. Speaker, I beg leave of the house to present a petition from the voters of the settlement of Fleur-de-Lys in the District of White Bay South. The prayer of this petition is that that community, a large and important fishing community, be linked with Baie Verte, which, as Your Honour may remember, was linked up last year with the Trans Canada Highway System. I would ask the members of the house to visualize in their minds the great Baie Verte Peninsula, which on one side is bounded by White Bay and on the other side is bounded by the North shore of Green Bay. The two extremities of that Peninsula are Partridge Point on the northwest and Cape St. John, a very historic cape, on the northeast. Between these two extremities, these two Capes, there lies these settlements, starting from Partridge Point; Fleur-de-Lys, Coachman's Cove, Baie Verte, Mings Bite, Pacquet, Woodstock, Harbour Round, Brent's Cove, and right up at the top, Cape St. John and the important and growing settlement of La Scie.

Last year we were able to build through a road from the Trans Canada Highway to Baie Verte, a distance of fifty miles, right down through the heart of the Baie Verte Peninsula. We built, or we "broke" through, which is perhaps the right word to use, we "broke" through that road last year. It has been in the building, of course, for several years. That provides a trunk line from which other roads may lead to these places named, as well as to a number of important communities in Green Bay, including the mining town of Tilt Cove.

At the invitation of the Premier last year, I submitted a four year program of road building for that area. It was my hope that last year we would have been able to bulldoze the road out to Fleur-de-Lys. However, for reasons well known to this house, a number of projects contemplated for last year had to be abandoned or curtailed. However, I feel there is no more important matter in that part of Newfoundland than the one for which this petition prays, i.e., that the road be extended from Baie Verte to pass through Coachman's Cove and then to Fleur-de-Lys, thereby linking up over a thousand persons with Baie Verte and with the rest of the Province through the Trans Canada Highway. Sir, it is my hope that, in addition to this, that that program will be able, this very year, to bring about the construction of the road to La Scie which in turn will link up with Baie Verte Road and in turn with the Trans Canada Highway. That great peninsula, over a period of two or three years, could be brought into contact with the rest of the world. I do not need to point out, Mr. Speaker, the residents of that peninsula, in addition to being well known in the logging world, are among Newfoundland's best fishermen. Historically, in the days when the French held fishing rights, that was their important fishing area, that area from Cape St. John to Partridge Point. There we have a race of fishermen second to none in Newfoundland.

**Mr. Speaker:** Order — I must advise the hon. member his time is up.

**Dr. Rowe:** I beg leave to lay this petition on the table of the house and ask that it be received and referred to the Department to which it relates.

**Mr. Smallwood:** (Green Bay): Mr. Speaker, I rise to support this petition. Indeed, Sir, as the Hon. Minister of Education says, this road forms the main trunk road built from the Trans Canada Highway to the settlement of Baie Verte on the Baie Verte Peninsula, otherwise known as the Burlington Peninsula. Now, Mr. Speaker, the present road and these proposed roads will also be of benefit to the District of Green Bay, especially on the north side of Green Bay, from the settlement of Middle Arm north to Shoe

Cove. The proposed road from Baie Verte down to La Scie will be a distance of approximately three or four miles from the settlement of Shoe Cove, which is the northern most settlement in the district. It will also come in behind the settlement of Tilt Cove, approximately four or five miles away. Mr. Speaker, the trunk road from the Trans Canada Highway down to the settlement of Vaie Verte gives the means of a road into the large settlement of Burlington, from which I hope, Sir, in the near future one road will branch to the settlement of Middle Arm, a distance of approximately four or five miles, and another one north to that well known fishing community of Nippers Harbour, a distance of nine miles.

**Mr. Speaker:** The motion is that this petition be received.

**Hon. J. T. Cheeseman:** (Minister of Fisheries): Mr. Speaker —

**Mr. Speaker:** Is the honourable member rising to support the petition? I might say that probably it is my fault. Perhaps I did put the motion rather quickly. But the honourable members rising to support a petition should do so before the motions that the petition be received is put. This time I permit latitude, but I will not be able to do it any more.

**Mr. Cheeseman:** Thank you very much, Mr. Speaker, that you should take me into consideration, My age, you know —

**Mr. Speaker:** I take into consideration the youth of both hon. members.

**Mr. Cheeseman:** Thank you, Mr. Speaker. I know the territory referred to in this petition presented by my hon. colleague, the Minister of Education. I know the area very well. As a matter of fact, in my own private business I have traded with fishermen there for many years. It is a very important area and as the hon. member said they are a very fine class of fishermen. Then — with the La Scie plant — we hope it will be coming into operation in the not too distant future, and then the facilities that are requested will be of greater value to the fishermen in the area. For these reasons, Mr. Speaker, I have

great pleasure in supporting the prayer of the petition which is now on the Table. On motion, petition received for referral to the Department to which it relates.

**J. Forsey:** (Humber East): Mr. Speaker, I rise at this time to present a petition from the residents of Corner Brook. The petition is addressed to the Hon. House of Assembly in legislative assembly convened. The prayer of this petition is that electricity be extended to the Cormack area. Mr. Speaker, as there is a time limit in which we may speak on a petition, it would be impossible for me to cover in five minutes the disappointment and frustrations and heartbreaks of these people. I say to the members of this Government, it will not be to our credit if we continue to ignore the farming areas where veterans from World War II were brought back. The Commission of Government, at that time, surveyed the area, decided it was in the proper place for farming, divided it up into farms of sufficient acreage to provide for economic farming. They put some eighteen miles of road into the Cormack area, secondary roads or whatever they may be called, but they forgot, they forgot the people existed. They gave them a little home, gave them a dream and took the foundations away. We have had eight years in which to try and restore that dream. During that time, some of these veterans have moved on. They have gone back into the woods and have gone elsewhere. They were tired and fed up with the discouragement. Now they have presented me with this petition. I know the Premier himself is anxious to see that their aims and ideas and plans for the future are met. He assured me of that when I first agreed to become a member of his party and won the right to sit here in this house. Now, Mr. Speaker, I do not want to go back to these people two or three years from now and ask for their support, if these people have either not been given a chance to move from Cormack and Cormack is written off as a loss, a blunder, a mistake, or to know that I cannot see the lights of Cormack shine in the distance as I drive out towards it. It is tragic to think we have men and women (and all these young men brought their war brides, and some who were not war-brides but were married since). It is a tragic thing to think that living in an area of the riding of

Humber East there can be such a backward state of affairs as exists in the settlement of Cormack. Mr. Speaker, they are just some eight or nine miles from Deer Lake, the site of the Bowater's Power Company Limited. In 1955, when they originally started contacting the Government for electrification, the cost was estimated at some \$52,000. Today, in 1958, the cost is estimated at some \$62,000. Mr. Speaker, I suggest to this house that, if these men that are still there, and sincerely want to farm, have the will and the power and the drive to stay on without electricity, without roads, without bridges, with run-down culverts and culverts not there any longer, we must act without a moment's delay to encourage that kind of initiative for which our Newfoundlanders of that grade still have the courage to preserve and to resolve to hold to them. I know I am speaking strongly on this petition, but I know too that, somewhere along the road, we are guilty to a point of having forgotten that, while the Commission of Government may have erred, there was no excuse for us to have continued on in the same pattern. I know that my colleagues here on this side of the house, and those who face me on the opposite side, although they will criticize the party politics, yet realize if we are to encourage Newfoundlanders to farm and to produce from the soil, then surely goodness we have to give them the wherewithal and means to do it. They cannot farm in Newfoundland today, nor in Canada, without electricity.

**Mr. Speaker:** I must advise the honourable member that his time is up.

**Mr. Forsey:** Thank you — I am sitting down, Sir, I am glad both the Premier and the Prime Minister are aware of the need of electricity.

**Hon. C. H. Ballam:** (Minister of Public Works): Mr. Speaker, I rise to give my support to this petition. I know the case very well, having been the member for that part of the Humber District for several years. I might say that a great effort was made, year after year, to connect Cormack with electricity. We have figures and we have estimates, and have tried time and time again, but we have never gotten down to actually getting the "juice," as they call electricity in there.

There was always a question of cost, and the cost was so high that the people could not afford (themselves) to build the lines and what have you.

However, in this last year, at least an agreement between the Power Commission and electrical company seems to be in the cards, and I sincerely hope that this year, as soon as this program gets going, the people in Cormack will have their electricity. They are very badly in need of it. When you consider that they are within eight or ten miles of an electrical power plant developing one hundred and fifty thousand horse-power, it seems a shame they could not get a few horse-power for the work which they are doing.

I have great pleasure in supporting this petition, Mr. Speaker.

**Hon. M.M. Hollett:** (Leader of the Opposition): Mr. Speaker, in rising to support this petition of the honourable member for Humber East, I am quite sure we are all very glad to hear now that there is a possibility that the present Government may, from now on, be able to initiate some plan whereby the people who are outside the present boundaries of electrical power may be brought in; and electrical power may be brought into the various areas where electricity is definitely a need at the present time and has been for a long time, even for the past eight years. We have learned that now from the hon. member on the opposite side of the house, who states that the people have needs — I would not say “needs” but they have not been helped out with regard to this. I believe there is a bona fide reason why electricity has not been brought to some of these areas, but I am proud today to report that, with full knowledge of the legislation which has been recently passed by the Federal Government in Ottawa, it will make it much easier for this Government to help to bring electricity to these areas where they have not got it.

I am very happy to support the petition, Mr. Speaker.

**Premier Smallwood:** Mr. Speaker, I did not intend to say anything about this at this point, but the fact that my hon. friend, the Leader of the Opposition, has seen fit to do so makes it perhaps desirable that I should too.

The legislation that was passed in the Parliament of Canada (not by the Government of Canada but by the Parliament of Canada) in January, as I have already said in this Chamber, is not too important nor useful to Newfoundland. To start with, it only gives the Canadian Government power, authority, to aid a Province in the developing of electricity by burning coal, and secondly aid in building transmission lines. Neither of these is very useful to Newfoundland. What Newfoundland needs is assistance in the building of distribution lines. It is perhaps pretty generally known, that since last night, I have asked the Prime Minister of Canada to agree to the idea that the legislation should be changed, or other action taken, that would enable financial assistance to be given in Newfoundland, and possibly other Provinces, for the provision of distribution lines. The present Prime Minister reacted quite favourably to that request, and the same request will obviously be made to the Leader of the other great party, and if we can get his favourable reaction as well, I think that we can then depend on it that, whoever wins on the 31st of March, we will probably get financial assistance in the building of distribution lines.

From studies that we have made, we know that, without that assistance, electricity will cost the customers — take note of this — electricity will cost the customers, the people, the homes, the families, anything from four to sixty dollars a month — Now that is a great difference, and it is silly nonsense to be talking about electricity, if it is going to cost the customer, the family, anything more than three or four dollars a month or at the very outside, of course, five or six dollars a month. To get it down to that figure it is necessary for us to get much more financial assistance than anyone has offered up to the present time. I strongly support the prayer of the petition, and I hope, even more strongly, that we can get some arrangement made that will apply, not only to this particular case, but to dozens of other cases that we have under notice, and about which we have a great deal of data, far more than the house imagines.

**Mr. Hollett:** Mr. Speaker, may I ask just one question?

**Mr. Speaker:** Perhaps the Hon. Leader of

the Opposition would keep that for Question time.

On motion, petition received for referral to the department to which it relates.

**S. Smith:** (Port au Port): Mr. Speaker, I beg leave to lay on the table of the house a petition from the residents of Point au Mal in the District of Port au Port, to have electrical power extended to the community of Point au Mal. This petition is addressed to the Hon. House of Assembly and is signed by forty-four families in the neighborhood of Point au Mal. Now that is one of the finest fishing centres in Port au Port district and also has farming and timber, and is famous for its river. The petitioners pray that the Hon. House of Assembly may be pleased to have this matter taken into consideration; I heartily support the petition, and ask leave to have it received and referred to the Department to which it relates. On motion, petition received for referral to the Department to which it relates.

**Presenting Reports of Standing and Select Committees:**

None.

**Giving Notices of Motions:**

**Hon. E.S. Spencer:** (Minister of Finance): Mr. Speaker, I give notice I will on tomorrow move the House into Committee of the Whole to consider Resolutions granting authority to raise a Loan on the credit of the Province.

**Giving Notice of Questions:**

None.

**ANSWERS TO QUESTIONS:**

None.

**ORDERS OF THE DAY:**

**Hon. M. M. Hollett:** (Leader of the Opposition): Mr. Speaker, on the Orders of the Day — Arising out of a statement made by the Hon. the Premier in this house recently that studies have been made relative to bringing electricity to certain areas, and the studies would show that electricity will cost a certain amount of money. Would the Hon. the Premier indicate what areas were under study?

**Hon. J. R. Smallwood:** (Premier): Yes, I would do that quite readily. We have had very intensive studies made, and some are still being made even today, of the whole north side of the Bonavista Bay and the centre of Bonavista Bay, the centre of Trinity Bay and some parts of the north side of Trinity Bay, and some parts of the south side of Trinity Bay; the whole of the Southern Shore beyond the point to which electricity presently extends, and going up to Trepassey and St. Shotts; and coming around into St. Mary's Bay, the whole of St. Mary's Bay; and whole of the Burin Peninsula that is not presently served adequately by electricity (and that is a large part of it); the whole of the Springdale area; and also the Baie Verte area; the whole of the St. Anthony area and the Bonne Bay area; the whole of the Port au Port Peninsula not presently served adequately (and that is a fair portion of it) and certainly all of the St. George's District and extending into Burgeo and La Poile District eastward from Port Aux Basques; and finally a large part of the Fortune Bay section, Fortune Bay — Hermitage, Bay d'Espoir. But quite frankly, although there we have had great surveys running into a cost of well over a quarter of a million dollars, we have not lately had detailed surveys of the type we have had in these other places I have named, for the simple reason that we feel that when the large scale production of power is undertaken by BRINCO, of the half million horse-power, more or less, that exists in Bay d'Espoir, the electrifications of that whole area will follow with great rapidity.

Now, these surveys have been made, some of them, by the Power Commission headed by Commander Desberats who is indeed so far the only member of the Power Commission, and by the Newfoundland Light and Power Company, at my request, and the United Towns Electric Company, at my request, and the Union Electric Light Company of Port Union, at my request. I have requested all these companies and they have been making individual studies and surveys — at my request. In addition to that, they have been making a joint and united survey. We have even had the head of the Newfoundland Light and Power Company come to Newfoundland to confer with us (in behalf of the Newfoundland Light and

Power Company) and very intensive studies have been going forward. And I can tell my hon. friend, the Leader of the Opposition, that the studies so far have revealed very discouraging facts in some areas; discouraging in the sense that, even with transmission lines and even with distribution lines, and even if these be built by the Government, or both Governments, or to the Government's account, even if they therefore be Crown owned and exempt from Federal taxes, the cost nevertheless to the customer, to the ultimate customer, in some cases will be not only impossible but foolishly high, so high as to put them completely out of line. On the other hand, with proper Government assistance, both Federal and Provincial, in a good many cases we can keep the cost down to around four dollars a month per household. That is still a pretty high rate, but it is as low as we can get it in most instances, and then only with considerable expenditure of Federal and Provincial Governments funds.

**G. Nightingale:** (St. John's North): Mr. Speaker, in reference to the Premier's statement — on that I have a problem — the Hon. Leader of the Opposition might know; on the Avalon Peninsula, it seems a shame that, after being electrified for so many years we find a few people still burning the old oil lamp. The reason for this is because it will cost so much to get electricity into these sections. We have an area near Portugal Cove, a place called With Hazel Road, about a mile from the main road. There are ten families up there, and it would cost them each \$600 to get poles and lights up that place, which is, of course, out of the question. These people cannot afford it. I really think that people who hold a franchise in a country like this, an electrical franchise, what they lose on the swings they should make on the merry-go-rounds; in other words they are making a fairly good profit here and why not put a line to supply them, along with a Government subsidy, to place lights in these places? I will tell you once the electricity goes up this road real estate values will go up, more houses will be built and eventually they will be getting the full amount which is due.

Thank you, Mr. Speaker.

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

the Education (Teacher's Pension Act)."

On motion, Bill read a first time.

**Hon. F. W. Rowe:** (Minister of Education): Mr. Speaker, in 1950 the Government (after long and careful consideration with the Newfoundland Teacher's Association and with other bodies interested in education) brought in a pension scheme for teachers. At the time there had been of course, for many years, the old pensions scheme which those members of the house who were teachers around that time will recall — But at the time the second teacher's pension scheme was introduced, all teachers were given an opportunity to elect which plan they would follow, either the first or the second. Some, for a variety of reasons decided to elect the first, and some the second. However, it has been found that, in some cases, teachers were at a disadvantage in making the election as they were not properly informed, in some cases there was much misunderstanding, and in other cases other factors entered into the picture — For example we have the factor of a teacher who had been teaching and who had given up the profession and subsequently returned to the teaching profession — in view of these things it has been decided to recommend to the house that certain somewhat minor (in relation to the whole Act, but certainly nonetheless important in relation to the individual teacher concerned) amendments be made. These would give teachers who, for certain reasons, were not able to make a proper choice at the time given the opportunity to elect which scheme they would follow in their pension plan, whether they would elect the first one or the second one — in all cases the principle of the pensions plan would be observed, there would be no interference at all with the pensions, the actual principle on which the pension schemes were devised.

For example: — Under Section 2, if the teacher decided to take the second plan he would pay his five years premium together with the standard rate of interest, which is three per cent set by law. Under Section 3 of the proposed amendment, teachers who, for example, through sickness were unable to make a proper election would again be able to do so, upon meeting all the obligations prescribed under the Act. There is

also one other category deserving reference, i.e., where the status of a teacher has been changed, through death or marriage, that teacher too is given a chance to re-instate himself or herself under the particular pension scheme of his or her choice. There may be one or two questions the hon. members would like to have answered on this; if so, I suggest, in view of the details of this amendment that these questions be dealt with in Committee. Mr. Speaker, I would recommend the second reading of this Bill. On motion, Bill read a second time, ordered referred to a Committee of the Whole House on tomorrow.

Hon. the Minister of Public Works asks leave to introduce a Bill, "An Act Respecting Mortier Bay Development Company, Limited."

#### MORTIER BAY — (FREE PORT):

**Hon. J. R. Smallwood:** (Premier): Mr. Speaker, in the absence of my colleague the Minister of Public Works, I beg leave to move that this Bill be read a first time. On motion, Bill read a first time.

**Mr. Smallwood:** Mr. Speaker, with the kind indulgence of the house I would move that this Bill be given second reading now. On motion, and with the leave of the house, Bill ordered read a second time now.

**Mr. Smallwood:** Mr. Speaker, this Bill whose second reading I move in the absence of my colleague, the Minister of Public Works, is one which does not impress us on this side of the house very much. I am quite frank about that. We are doubtful whether it will do very much good. We are also doubtful that it will do very much harm. We are asked to pass it. We do not see any particular reason for refusing to introduce it into the house, and leave it to the house. This Bill was passed years ago and expired. What happened actually when it was first passed, it vested certain right in a company that was mentioned by name, strangely enough or, if not strangely, at all events they never did form the company. It was never formed, yet here were the rights vested by a certain Act of this house in a company that did not exist, as they never did in fact incorporate. Anybody during the life of that Act

could have gone down and incorporated a company under that name, in which case he would have been the owner of the company, and the company that he owned would have been the owner of the rights cited in the Act. But actually what happened was that the company was not formed until a few weeks ago. Somebody then formed the company and incorporated it and it is in existence now; and this present Bill is merely to give to that company for two years (for two years) the rights which the former Bill gave the company that did not exist.

Whether they will do anything or not I do not know. I am not optimistic about it, Mr. Speaker. Mr. McDonald, the Ottawa lawyer, who is the prime mover in the thing, professes to be very confident, professes to be optimistic. The house will recall that a week or two, or perhaps three weeks ago, there was quite a little bit of excitement arising out of a conference of shipping interests that was held at that famous club up-state from Ottawa; out of which there emerged a public statement that great financial interests were practically ready to proceed with the building of this great free-port in Mortier Bay. That was subsequently denied, and since then we have heard nothing more. There may be something to it and there may be nothing to it, frankly we do not know. We have a certain amount of doubt about it, but we certainly do not feel, in fairness to Mortier Bay, in fairness to the people of Mortier Bay, that it would be right to refuse this gentleman the introduction and indeed the adoption of this Bill, insofar as it lies in our power. He may perhaps produce the results. I do not know. If we do not pass the Bill, then he can do nothing. If we do pass it, he may still do nothing. If we pass it he may still do nothing, but he may do something. So that on balance, I may say, I am revealing nothing secret, nothing I ought not to reveal when I say in Council we considered the matter and without any great enthusiasm one way or another we said; "all right we will bring it into the house and see how the house feels about it." Certainly, if it were defeated I would never go to His Honour and pass in my resignation as a Government, and the Government would not fall, because it is not a matter for standing or falling on. I for one will vote for it. I would be prepared for another two years to

give them a chance to show what they can do.

Now, my colleague, the hon. member for Placentia West reminds me if we pass it in its present form it could conceivably have the effect of denying the use of any part of that great Bay, Mortier Bay, to the Crown Zellerbach people, should they decide to locate their facilities in Mortier Bay. For that reason, when in Committee of the Whole, I would propose to move an amendment to the Bill as it presently stands, adding a clause at the end providing that the Bill will come into effect only upon proclamation by the Governor-in-Council. That would mean that if Crown Zellerbach did indeed indicate any desire to locate there, we could just refrain from having the Act proclaimed, and we could make the area available to Crown Zellerbach. On the other hand, if Crown Zellerbach were to indicate they were not interested in using Mortier Bay we could then proclaim this Act and it could become law. So that it is in that spirit only that I move the second reading.

**Hon. M. M. Hollett:** (Leader of the Opposition): Mr. Speaker, I suppose nobody can be against the principle as outlined in the opening clause, which states that the Mortier Bay Development Company proposes to seek authority to establish in Mortier Bay a free port on similar lines to those now operating at Hamburg and Copenhagen, for the transshipment of all classes of goods to and from the Great Lakes, Europe, the West Indies and the Atlantic seaboard of North and South America, and to carry or procure to be carried from the port to the Great Lakes chilled, frozen and cured fish and other products of Newfoundland.

Now, if that is the principle of the Bill nobody can oppose it, at least not in this house. At the same time, I am sure I don't agree with bringing in Bills unless there are substantial facts and evidence to show justification for such Bills. I think four or five years ago a similar Bill was passed giving the same company the right to spend, I think, \$100,000, and having spent that then they could be granted certain rights — As far as I can find out nobody spent any money up there. I am sure the hon. member for Placentia West will correct if I am wrong — I do not know of any money having been

spent up there on a free port, nor on any exploration by that company. The point arises; are we after two years going to be asked to renew this Bill so as to hold up so many square miles in Mortier Bay for this company? — Are we to continue doing this? — I believe they have two years in which to do this now, and at the end of two years, let us presume they come to the Premier and ask him to renew it for another two years, he brings in a similar Bill — It will be a joke by that time — It is almost a joke now. I have been hearing about Mortier Bay and "Fog Free" Thompson since I was a boy, and the man who conceived the idea went down in the Atlantic.

**Mr. Smallwood:** The secret weapon is still at work.

**Mr. Hollett:** Yes. If the Premier only knew what was inside that pencil.

**Mr. Smallwood:** I am getting nervous, apprehensive.

**Mr. Hollett:** I do have to protect myself on this side, I am alone almost. I have to carry a weapon.

**Mr. Speaker:** The Hon. Leader of the Opposition, or any other member, can always appeal to the Chair for protection.

**Mr. Hollett:** That is wonderful. Thank you very much, Sir. The Southwest Coast people stick together, so it seems to me. They have always stuck together.

**Mr. Speaker:** Order.

**Mr. Hollett:** We have a liking for each other, Mr. Speaker, I maintain.

**Mr. Speaker:** Order. This is all very nice, but I think the Hon. Leader of the Opposition is getting away from the motion.

**Mr. Hollett:** I was forced away from it. There is a saving clause there which would lead me to say there is no strong objection to it — Clause (3) — Subject to this Act, the Lieutenant-Governor-in-Council may grant to the company in this particular area — In that case I would — I have not even



had time to consult with my colleagues here — but I do point out to them and to the house that the Governor-in-Council has the right to give this grant of land and give these rights — They “may” do it. It is not a question of “shall” but that they “may” — and I have sufficient faith that it will not be given, unless some facts are brought forward by this company (which I believe is lead by a man who owned the Bus Company one time) Unless some facts are brought forward to show the Lieutenant-Governor-in-Council there is a possibility of doing something there; I feel sure the Lieutenant-Governor-in-Council will not make such a grant.

**A. M. Duffy:** (St. John's Centre): Mr. Speaker, the Premier said, and I think we all agree, there is not much, either to support or oppose, in this proposed Bill. But it seems to me there is nothing to lose, but in view of the bare possibilities which might be visualized, I support the principle of this Bill.

**P. M. Canning:** (Placentia West): Mr. Speaker, the plans visualized by this company are great if they should ever come to reality, so that I too am pleased, Sir, that it will get second reading, and be passed and these people will be given the franchise or the franchise will be open to them should they succeed in their efforts. We all know that if a free port on the Southwest Coast should come true, it would mean a lot of economy for the area, and as there is nobody else coming forward except those people, I do not see any reason why we should not give them the franchise, with the amendment which I requested of the Hon. the Premier. I support the Bill, Sir, and if when two years from now nothing has taken place, and somebody else comes forward, I feel I will be here when they ask us to bring it back again.

**G. Nightingale:** (St. John's North): Mr. Speaker, in rising to support the motion I do so with a feeling it should have been St. John's which is going to be a free port. We are going to lose a great deal, I may say. It means tremendous warehouses to be built, and it means an awful amount of money, and I can quite understand storing grains

and stuff for shipment to Europe and one thing and another — I suppose they will take on our longshoremen if they get out of work in St. John's. Personally I would sooner see St. John's with the warehouses and new harbour development, instead of making a new job — let Federal Government build the warehouses where they are making the harbour development and have a free port right here. All we have to do is get it signed in and out, that is all there is for a free port. We can do the business right here in the City of St. John's, just as well as in Mortier Bay, and we have electrification. On motion, Bill read a second time, ordered referred to a Committee of the Whole House at a later hour today.

Committee of the Whole on Bill, “An Act to Authorize the Lieutenant-Governor-in-Council to Enter into An Agreement with Crown Zellerbach Corporation.”

#### **CROWN ZELLERBACH:**

On motion, Mr. Speaker left the Chair, Mr. Clarke, Chairman of Committee of the Whole.

On motion, Clause 1 carried.

**Mr. Hollett:** Mr. Chairman, on Clause 2 — “The Lieutenant-Governor-in-Council is authorized to enter into, execute and deliver an Agreement with Crown Zellerbach Corporation the terms of which shall be substantially similar to the terms of the draft Agreement set forth in the Schedule to this Act.”

**Hon. L. R. Curtis:** (Attorney General): That gives us power to put in a comma or rearrange a sentence.

**Mr. Hollett:** You could rearrange a sentence in such a way it would mean something entirely different.

**Mr. Curtis:** Then it would not be substantially the same.

**Mr. Hollett:** That is correct. But where are we going to draw the line?

**Mr. Curtis:** The actual position, Mr. Chairman, if I might reply to my hon. friend, he knows from long experience as a magistrate that if you draft a document, or

even draft a letter, when you read it a second time you can improve on it, and when you read it a third time you will see another improvement you can make and the fourth time, and, in fact, as often as you look at it you will see little points that could be improved without substantially changing the effect or the letter itself. It is just a matter of having a document finally signed and documented that is perfectly acceptable. This is a normal clause.

**Mr. Hollett:** I might say, without changing the intent of the agreement or something of that nature.

**Mr. Smallwood:** It says that it must be substantially similar.

**Mr. Hollett:** We are dependant on somebody as to what is the meaning of "substantially similar."

**Mr. Curtis:** The courts would decide that, if we did something that was not similar.

**Mr. Hollett:** Who would take action?

**Mr. Curtis:** Actually, Mr. Chairman, Crown Zellerbach would not accept it unless it was something substantially similar.

**Mr. Hollett:** I raised the point, but of course I realize there is not much difference anyway.  
On motion, Clause 2 carried.

**G.R. Renouf:** (St. John's South): Mr. Chairman, on Clause 3 — I would not necessarily want to delay the passing of the clause, but would like a word of explanation of that — I thought the Attorney General might say a word on that provision there, in the fifth line — "for all purposes as if expressly enacted in this Act." What exactly does that mean? I had better read a couple of lines to get the sense of it. "The agreement authorized to be executed and delivered under Section 2 shall, upon its execution and delivery, be valid and binding upon all persons affected thereby, and all and singular the provisions thereof shall have the force and effect of law for all purposes as if expressly enacted in this Act, and the parties to the Agreement and the suc-

cessors and assigns of each of them shall have full power and authority, from time to time, to do and perform, or omit to do and perform, all and singular the several acts, matters and things in and by the Agreement provided to be done or not to be done, as the case may be, in the manner and with the effect and under the conditions stipulated and provided in the Agreement."

**Premier Smallwood:** I suppose instead of writing a Bill which would become an Act it would still spell out the agreement you attach, in the form of a schedule to the Bill, and in the Bill you say the agreement shall be part of the Act as though it were the Act.

**Mr. Curtis:** I wonder if my hon. friend realizes that is what is called a Statutory Agreement; in other words, an agreement pursuant to the statute, and each and every clause has the effect of law as if it had been expressly enacted as a law.  
On motion, Clause 3 carried.

**Mr. Hollett:** On Clause 4 — Mr. Chairman, I was looking at Section 128.

**Mr. Chairman:** I don't think it would apply there.

**Mr. Hollett:** Thank you, Mr. Chairman  
On motion, Clause 4, Clause 5 and Clause 6 Carried.

**Mr. Curtis:** Mr. Chairman, there are one or two amendments I would move there. The first page is all right (k) the "expression minerals" should read "the expressions minerals."

Then, when you come to sub-section (2) Section (1) — would ask as an amendment that this clause be amended to read as follows: — I will read it slowly so that my honourable friends can compare it with the present wording: —

"(2)" A company shall be deemed to be subsidiary of the Crown Zellerbach Corporation or another company, if, but only if, it is controlled by

(d) shares of the first mentioned company carrying more than fifty per cent of the votes when the election

of directors are held, otherwise than by way of security only, by or for the benefit of Crown Zellerbach Corporation or such other company, as the case may be; and

- (e) the votes carried by such shares are sufficient if exercised, to elect a majority of the board of directors of the first mentioned company."

I think, Mr. Chairman, there is no strong difference in the wording. It is, I think, an example of what has been said, substantially the same. I know that there it says "one or more companies" instead of "two or more companies." I may say this amendment has been accepted by the companies.

On motion, Clause 1 as amended carried.

**Mr. Hollett:** I understand all Crown Lands in the Province of Newfoundland are held for the Crown Zellerbach Corporation for a period of two years; all Crown Lands — no exception whatsoever.

**Mr. Curtis:** Oh no — "My understanding is, Mr. Chairman, is that for two years the Government has the right to reserve any areas which they find will be required by any community for expansion, and then and only then, the rest is reserved to Crown Zellerbach.

**Mr. Hollett:** That is not that section;

**Premier Smallwood:** The fact of the matter is, whatever this clause may or may not say, the fact is that this Bill provides, in this or some other clause or in some section of a clause, that in the two years following the adoption of this Bill, all the timber on the Crown Lands of this Island of Newfoundland will be surveyed on the one hand by the Newfoundland Government and on the other by the Crown Zellerbach; and that the Newfoundland Government will divide all of the timber into two lots, one lot being what the Government intends to be reserved for public use, and the other lot being what the Government intends shall be ceded to Crown Zellerbach. Now in doing that, in making that appointment, the Government will naturally see to it that the land reserved for public purposes, or rather

reserved for public use, will be the timber in behind the settlement, more or less right around the coast line of Newfoundland. If there are settlements that are not on the coast but are inland, then the timber will be reserved for them in behind — In other words, the whole intention is that whatever Crown Land timber is left on this Island; (and it is not too much after Bowaters and the Anglo-Newfoundland Development Company have what they have, and a good many other private companies and individuals have what they have) what is left on the whole of the Island, what is left of Crown Land may not be enough, all of it, to support a four or five hundred ton newsprint paper mill — It may or may not be enough — We believe it will be enough not only to support the newsprint paper mill, but enough also to have some left over for public use for the fishermen, for fence material, flakes, stages and for other things. Mr. Chairman, we might adjourn and let the meeting going on down there in the corner continue — that might be more satisfactory — For fishermen's use and for small saw-mills.

Now, Mr. Chairman, this may happen, and it is just as well to face it. This may happen — It is conceivable at least that it may happen that the surveys will show that there is just not enough timber on Crown Lands on this Island to support a paper mill — we do not think it will happen, but it may — and if it does then we have to face this — "Will we deny the public of Newfoundland any more wood whatsoever on this Island and take all and give it for the support of a paper mill? I do not think it will ever come to that. Why do I not think so? Because of two things: (1) the general surveys of all kinds that have been made down through the years by the Crown Lands branch of the Department of Resources; and there have been surveys right along. We have quite a considerable number of timber cruisers and forest men headed by Mr. Charles Cahill, and they have been surveying and cruising and counting and mapping the timber growing on Crown Lands, and they have very positive ideas as to how much timber is on these lands.

Secondly, for two years we have had an intensive inventory being done by General Kennedy's organization of Ontario. I be-

lieve their headquarters are in Ottawa. In any event they are supposed to be perhaps the best firm in Canada, commercial firm, making forest inventories. They have made them for all kinds of companies and Governments. Now they have been retained jointly by Bowaters, the Anglo-Newfoundland Development Company and the Newfoundland Government to conduct an actual physical forest inventory on the Crown lands of this Island. Now it is nearly all completed. The Avalon Peninsula remains to be done, a small part of the Avalon Peninsula. This year it will be completed.

From these surveys, the one conducted down through the years by the Crown Land Officers and the other in the past two years in behalf of the three-way agreement — General Kennedy has, in fact, one of North America's truly great authorities on forests and on timber — He has informed us that, in his opinion, there is enough timber growing on Crown Lands of this Island of Newfoundland to support a paper mill producing not less than four hundred tons of newsprint paper a day for the next thirty years without resorting to wood growing on Labrador. You will find that statement made in the Report of the Royal Commission on Forestry, headed by General Kennedy. So that is why I do not think it will ever come to the stage that we will have to decide that a paper company, wanting to build a paper mill, is to be given all the timber there is or whether we will do without the paper mill and not deprive the general population of the outports along our seacoast of their ancient right to go and cut some fire wood, fencing, some small logs — because relatively speaking they are only small logs left, for saw mill purposes, and generally for fishing and farming purposes. I do not think it will ever come to that. But if it does come to that, if it does we will have to face it. We will have to face it within the next two years. If that is the position, we will certainly most definitely not cede all the timber there is to Crown Zellerbach or anyone else without first coming back to this house and revealing the position or, even more, going directly to the Newfoundland people. As of this moment, we are quite confident (on the basis of the evidence we have) that there is enough timber growing on the Crown

Lands of this Island of Newfoundland to serve two people, one the sponsors of the newsprint paper mill and the other the purposes of the public. But the first thing to be done when this legislation is adopted, if it is, is to make the division. That is the very first thing the Government is going to have to do, to engage aerial photographic survey companies to photograph the timber growing on Crown Lands. We are going to have to get the General Kennedy Survey brought strictly up to date, to cover the last square mile of this Newfoundland Island, to determine how much timber there is and how much of it we can afford to give Crown Zellerbach. Now, there is a haunting fear in the back of my mind all the time that there just may not be enough timber. That may be the case. There just may not be. General Kennedy says: — "Forget it. There is." I hope he is right. I sincerely do not know whether he is right. I am not competent to pass judgement.

The officials of the Forest Division of Mines and Resources say: — "Forget it. There is enough." I am not competent to judge on that. They may be right. I certainly hope they are. But that is all this means. That is all this legislation means; for the next two years we will make a very thorough going survey and parcel out from what there is what we hope will be enough, and yet, may not be enough, may not be enough to serve the public as well as the paper mill — it may not be enough, in which case the people of Newfoundland are going to have to make decision one of these days. If that turns out to be so, they are going to have to make a decision — Are they willing to give up their very ancient rights to go in and cut and saw logs and fencing, staves and flake material etc. so that there may be enough wood to support a paper mill? They may have to make that decision yet. That depends on what we find when the survey is made.

But the right is here; very carefully preserved, in this legislation, very carefully preserved — on page 17 — so the Attorney General says — the right is very carefully preserved to the Government to retain what in the Government's opinion is enough for public purposes. That right is carefully preserved. We will do that. We will retain enough for the public purpose. If what is left after that is done is insufficient to sup-

port this newsprint paper mill, then we will go to the Newfoundland people and say: "We are sorry, very sorry — We thought we had a paper mill for the Island of Newfoundland, but there is just not enough wood growing on it if the public are to have their ancient right, their traditional rights — To have a paper mill you have to give up your traditional rights." Now, that is what we would do, go to them and say, if after the survey we find we are mistaken in our belief, that there is enough for both purposes. Have I made myself thoroughly clear on that?

**Mr. Hollett:** No.

**Mr. Smallwood:** Well I apologize to the Hon. Leader of the Opposition — I am getting a little obtuse, losing my ability to express myself. I know it is not obtuseness on his part — that I know — I know that if a man explains himself thoroughly, he can understand — It is all my fault.

**Mr. Duffy:** Mr. Chairman, with reference to the timber survey, there is nothing to indicate, of course, what timber will be apportioned to the public use. — Am I right in assuming there is a regulation regarding the "three mile limit"?

**Mr. Smallwood:** No it is not — It is only a tradition. The "three mile limit" is gone in section after section of Newfoundland's coast. In White Bay for example, I imagine, the hon. member is not here — Over half of the coast is no longer reserved to the fishermen. Bowaters own the rights to the water's edge, and in Bonavista Bay, my own district of Bonavista North, around the Gambo, Middle Brook, Dark Cover Area, a large part of the timber which was used formerly for part of the "three mile limit" is no longer that, but is now the property of either Bowaters on the one hand, or the Anglo-Newfoundland Development Company on the other, and in many parts of the Island the "three mile limit" no longer exists.

Let us face this, Mr. Chairman, there is no longer in Newfoundland anything even approaching the need there used to be, all down through our history, for wood to be reserved for the public. That does not now exist to anything like the extent it used to

do. Overwhelmingly, now, there are thousands and there may even be tens of thousands of families on this Island who used to go into the woods in the wintertime and cut wood for fuel who now burn oil or coal; and the quantity of wood that it is necessary to cut today for these purposes is only a token of what used to be cut. As more and more of our people get jobs for what I like to call "cash wages," fewer and fewer of them will spend their winters going in with a catamaran and hauling our winter fuel, as more and more of them are burning coal and oil.

As for sawn lumber in this Province today, there is still some of it cut, millions of feet of it are cut. But the proportion of the total sawn lumber that is used in Newfoundland that is sawn in Nova Scotia is greater than it ever was. The reason, of course, for that is that you get greater widths and lengths in the Nova Scotia and New Brunswick lumber than you can get ordinarily in Newfoundland. That has become a very important factor in building costs. As the building trades have wages and wages scales more nearly similar than they ever were to the rates prevailing in the nearby Maritime Provinces, it becomes increasingly important to have that relatively higher paid labour working, not with narrow boards and short lengths, but with wider, longer boards to get a building sided in or the floors or the roof laid more quickly than they can hope to do with narrow widths and short lengths. Therefore, the tendency is to lean more heavily than ever before on imported lumber. Now, that is primarily because we no longer have the large logs growing on this Island that will give the great lengths and widths that we used to have years ago.

**G. Nightingale:** (St. John's North): Mr. Chairman, I am optimistic enough to do along with the Premier on this particular scheme but I have not seen anything like a contract, who is going to look after reforestation? Maybe I may not live to see it, not the Hon. the Premier, but someday we may want to sell that forest over again, and there is not a thing in the contract about reforestation. Perhaps the Hon. the Minister would be able to tell us what would happen and how they would look after reforestation if this continues? It is most important, maybe

not in our time, but I believe in looking to the future.

**Mr. Hollett:** Mr. Chairman, I listened very carefully to what the Hon. the Premier said. He said a lot that is not in this Act at all, and is therefore not law.

The Hon. the Premier said that the Government will go ahead and make an exploration of the Crown Lands of Newfoundland; finish the exploration and see what we have. There is nothing in the Act about that. Oh, it does say that the Government will, at the end of two years, designate areas which it may require. It also says that, for a period of two years, the Government does reserve the traditional rights of our people to cut spare lumber, to cut fences and wood for fuel and so on to keep cattle in.

**Mr. Smallwood:** Keep the cattle out.

**Mr. Hollett:** Keep it out if you want to. I would rather have them in. I do not know what the Hon. the Premier does on Roche's Line, whether he keeps them in or out. I would say it would take a lot of fencing.

**Mr. Smallwood:** Keep them out.

**Mr. Hollett:** Because you have not enough fencing — because there is no timber there, no wood there to get fencing perhaps.

**Mr. Smallwood:** The hon. gentleman is out of his depth now.

**Mr. Hollett:** That is beside the point. I am accustomed to reading in law and things going to be law — "Subject to the provisions of this Agreement." All Crown Lands to be made over to this company subject to the provisions of this Act; all the Crown Lands of Newfoundland are to be leased.

**Mr. Smallwood:** If I say I will give the hon. gentleman an acre and a half, subject to certain conditions; he won't get Africa, Canada, Europe, North America, Asia, and when you boil it down and lay down the conditions all he gets is an acre and a half — So, he is getting the whole world subject to certain conditions.

**Mr. Hollett:** Mr. Chairman, I have the floor.

**Mr. Smallwood:** The hon. member has the floor.

**Mr. Hollett:** If the Hon. the Premier wants to correct me — I certainly won't allow the Premier or anyone else to continue sitting while I am on my feet — taking a rest and talking at me — I don't think that is right. There is a redundancy of language on the other side, but all the redundancy in the world is not going to convince me this is not going to be law when it is passed — and it means exactly what it says — what it says is that, "subject to the conditions in this agreement, the Government will grant all Crown Lands in Newfoundland for exploration rights to this company, Crown Zellerbach, for a period of two years." It does say, further, that during these two years the traditional rights of our people around the Coast of Newfoundland, or anywhere in Newfoundland, will be preserved or until the agreement is signed. It also says that when the company signs this agreement then the Government may or shall — "may" designate to Crown Zellerbach certain little spots in Newfoundland which they do not want to keep for our fishermen or farmers or what not. Now that is all that Act says, and that is that. We have no guarantee whatsoever that the Government of that day, which may be next year or two years hence are going to be ready to designate what areas are to be kept out of this agreement. The Premier already indicated there may not be enough timber in Newfoundland, but if there is just enough, with all the Crown Lands, I am inclined to think, Mr. Chairman, that the Hon. the Premier is prepared to say: — "Alright, take the lot, forget our traditional rights." That is what was indicated.

**Mr. Smallwood:** When did I indicate that?

**Mr. Hollett:** It was indicated — I forget what paragraph, in the last speech the Hon. the Premier made a few minutes ago, it was indicated that if there is not sufficient lumber but only enough we have to decide, we have got to have a mill.

**Mr. Smallwood:** Come on, don't misrepresent me like that.

**Mr. Hollett:** That is what was said.

**Mr. Smallwood:** I did not say any such thing. The hon. gentleman is the only one in this Chamber who heard me say it.

**Mr. Hollett:** That is no indication — Would anyone asleep hear it if you were to say it? On motion, the Committee recessed for ten minutes after which Mr. Chairman, resumed the Chair.

**Mr. Hollett:** On the matter on which I was addressing the Committee before recess, Mr. Chairman, I take it that the statement, which was made by the Hon. the Premier applies also to sub-clause (b) of Section 2 — All these Crown Lands in Labrador, I take it that the traditional rights are reserved there.

**Mr. Smallwood:** That is right. On motion, Clause 2 (1) carried:

**G.R. Renouf (St. John's South):** Mr. Chairman, I think it might be as well here as elsewhere to make a reference to what the hon. member for St. John's North said. He somewhat stole my thunder in reference to reforestation. I just wondered if something might be put into the appropriate part of the Act in relation to this important point. I am not so much concerned whether the company should undertake it, or whether the Newfoundland Government might reserve the right to undertake it. Preferably, of course, the company should do it for their own interest as well as that of anyone else. When we come to this subsection where they get the right to explore and investigate and all that sort of thing, if it could be born in mind that the important idea of reforestation be put in before the Bill is completed.

**Premier Smallwood:** Mr. Chairman, in Newfoundland the two existing paper companies have found from many, many years of practical experience of our Newfoundland forests and of our climate and of our climatic conditions generally, that actual reforestation is not needed, if by that term is meant the actual planting of trees. The natural growth is such that it makes reforestation in that sense of the word unnecessary. For instance, Grand Falls, already (although they began as long ago as 1905) in some areas have gone in and cut

the forest out completely, and the forest has grown up into a new forest and they have cut that out completely, and that has grown up a third time and they have cut it out a third time, all since 1905. Three complete forests now — The first growth was there when they began, but the next forest growth came after they had removed the first, and then the second, and then the third. If my honourable and learned friend will turn to page 21 of this Bill, subclause (b) he will see that the requirement is there to carry out alternate cutting operations and forest management, in such a manner as will best conserve the forest areas to the end that such areas may provide an ample supply of timber for its operations.

**Mr. Renouf:** That I feel, Mr. Chairman, does reassure me somewhat. I suppose, in dealing with a corporation such as this, it is inconceivable that they would ignore the proper management of areas which would come under their control. I did remember this particular section referred to by the Hon. the Premier, but not having heard or read the word "reforestation" I got the impression — but I do feel reassured on that point. On motion, Clause 2 sub-clause (2) carried:

**Hon. L.R. Curtis (Attorney General):** Mr. Chairman, I think there should be a new (3). It bears out what I said — umpteen lawyers read this document, yet there is no Section 3. Sub-clause renumbered as Clause 3, instead of being a sub-clause of Cause 2. On motion, Clauses 3 through 7 carried.

**Mr. Hollett:** In Clause 8 — Subject of Clause 22 of the Agreement they can have what they want of the Silver Concession down there or any other —

**Mr. Smallwood:** They can have it keep it a certain length of time — But the length of time they can keep it as laid down in certain clauses and the extent to which they can keep it — The shedding principle is set up here.

**Mr. Hollett:** That is important — We will come to that later. But I would think the Government would have some say as to the amount of the area which was to be given them.

**Mr. Smallwood:** They are to get all of the area to start with. May I put it this way: — If my hon. friend, or if I, had an idea of building a two thousand tons a day pulp mill and I came to the conclusion I needed a million cords of wood a year to support that two thousand tons a day pulp mill, would I not demand the full million cords at the very outset to support a two thousand ton mill? — which I did not intend to build at the outset, because what I intend to do at the outset is build a five hundred ton mill which I intend to increase in stages to two thousands tons a day. But when I agreed to build the five hundred tons a day pulp mill, I must surely have enough wood guaranteed me, then and there, to support the two thousand tons mill which I will eventually build — If not, I will never build the two thousand ton mill, and I can never build it if I am not guaranteed, when building the five hundred tons, that I am to have enough for the two thousand tons mill. On the other hand, although it would be reasonable to expect the Government to do it for me, it would not be reasonable for the Government to do it except on the conditions that, if I did not proceed beyond the five hundred tons to one thousand to fifteen hundred to two thousand, then obviously I should forfeit all but enough timber to support the mill I did build. That is what is laid down in these clauses here — How can it be otherwise?

**Mr. Hollett:** I know. Exactly that. If they decide they want to build a five hundred tons pulp facility, they come to the Government and get a lease for the whole area.

**Mr. Smallwood:** That is right.

**Mr. Hollett:** There are other sections in this Legislation which says they may assign any of these rights or any of that timber to anybody else.

**Mr. Smallwood:** But subject to the same conditions that govern the whole of it. They cannot by-pass or evade the conditions laid down; if it passes through twenty hands it is at no point exempted from the obligations to carry out the conditions laid down.

**Mr. Hollett:** I think they can assign areas to anybody, saw lumber and export. They can

export a hundred thousand tons a year for ten years, and fifty thousand for ever. They can assign the right and say, "if you want to export lumber from the area you can assign it to whom you please."

**Mr. Smallwood:** Under the conditions laid down.

**Mr. Hollett:** The Crown Zellerbach Corporation Company will be able to supply us with all the lumber and fencing and everything else we need. I just wanted to point it out.

On motion, Clause 8 carried;

**Mr. Hollett:** Now, Mr. Chairman, I am wondering if we could have somebody on the Government side explain this Clause 9 in its entirety, because it is a bit complicated, to my way of looking at it.

**Premier Smallwood:** I have already done it. I did it a moment ago.

**Mr. Hollett:** Could we have an explanation of Clause 9 (1) (c).

**Mr. Smallwood:** Excuse me, Mr. Chairman, the way to explain this is to explain the whole of that whole Clause, not just one line or one sub-clause. This is the legal phraseology which sets forth a program, and I have just described the program in simple, layman's language.

**Mr. Hollett:** That is the Hon. Premier's interpretation thereof.

**Mr. Smallwood:** It is not my own personal interpretation at all. I am assured by the law officers of the Crown that these words do in fact set out the legal position I have just described in layman's language.

**Mr. Hollett:** It is we laymen who have to understand it. We are all laymen—at least there are two laymen here. For instance, Clause 9 (1). "The timber lease referred to in Sub-clause (1) of Clause 8 of this Agreement is designed to provide adequate timber reserves to enable the Corporation, if it so elects, to expand its pulp facilities in the Province to an ultimate capacity of at least two thousand tons a day. Subject in each case to Clause 22 of this Agreement,



the Corporation shall release from such timber lease, areas of the Labrador Timber Limits adequate to supply a chemical pulp mill having a capacity of five hundred tons a day, in each of the following events: — (a), (b) and (c)."

Now that is fairly well understandable. From that part on, I defy any other layman in this house to interpret the Clause.

**Mr. Smallwood:** What does the honourable gentleman want? Does he want us to put that in layman's language?

**Mr. Hollett:** What happens on the expiration of the twenty-seven years.

**Mr. Smallwood:** Surely the honourable gentleman is not suggesting to have it explained in ordinary every day language.

**Mr. Hollett:** I would like it in language I could understand.

**Mr. Smallwood:** So would I like it in that kind of language. Unfortunately, if the laws of the land were written in that way there would be no need for any courts or lawyers.

**Mr. Hollett:** Mr. Chairman, I ask the Hon. the Premier to explain clause 9 to me. I do not understand it.

**Mr. Smallwood:** Don't force me to make the retort that I can explain a thing but only God Almighty can give the honourable gentlemen the intelligence to understand when I do explain — Now I do not mean that at all.

**Mr. Hollett:** I could retort, we do not need any intelligence at all to understand what the Hon. the Premier sometimes says.

**Mr. Smallwood:** That shows the tremendous clarity of my explanations.

**Hon. L.R. Curtis (Attorney General):** I think, Mr. Chairman, the clause is quite easy to follow. It is a very difficult clause at first reading. It is really necessary to read the clause three or four times to really understand it.

**Mr. Smallwood:** The Hon. Leader of the Opposition has read it three or four times.

**Mr. Hollett:** Six times.

**Mr. Curtis:** It actually provides that wood should be shed periodically, five hundred tons at a time, at least sufficient wood to operate a mill to a capacity of five hundred tons a day. Take for instance the first clause; if, at the end of seventeen years, they have not started a one thousand ton mill they have to give up five hundred cords. If, at the end of twenty-one years, they have not put facilities in for fifteen hundred tons then they have to give up another five hundred. Now forget the second paragraph. The second paragraph only provides what should happen in the event of not having done it in the previous five year period. I can see the difficulty of my hon. friend, it is really a clause you have to live with for awhile.

**Mr. Smallwood:** The hon. gentleman has not had a chance to live with it.

**Mr. Curtis:** What makes it difficult is this sub-clause in the middle of the page and the same clauses at the bottom of the page — These really just provide, in the case this has not been exercised before — If it has been exercised before they do not have to give it up. In other words, if they give up the five hundred tons a day under the first seventeen years, they do not have to give it up again. They give up five hundred at the end of one period and five hundred at the end of another, all conditional. These Clauses, 2 and 3, which make it so difficult to understand are really clauses just to deal with the event of their not having performed the previous agreement.

**Mr. Smallwood:** Does the hon. gentleman understand clearly now?  
On motion, Clause 9 carried:

**Mr. Hollett:** Now on Clause 10 I have a question to ask there. On page 13: —

"(3) All the obligations of the Corporation to surrender portions of the Labrador Timber Limits set forth in sub-clause (1) and (2) of this clause shall be subject to the condition and limitation that there shall be held and reserved, for the exclusive use of the Corporation under the exploration lease or timber lease, as the case may be, areas of the Labrador Timber Limits which are sufficient with the Island Timber Limits

to sustain the operation of all the facilities of the Corporation then existing, or planned, and in the course of construction in the Province for the manufacture of newsprint, pulp, paper, lumber plywood, and other processed wood products, after adequate provision for all rights reserved to the Government in Clause 12 of this Agreement, and this Clause shall be constructed towards that end, whether or not there are sufficient timber resources in the Labrador Timber Limits to afford compliance with sub-clause (1) and (2) of this clause." This means we are giving the Crown Zellerbach Corporation the whole of this area on the Labrador Peninsula of Newfoundland to take care of —

**Mr. Smallwood:** We are not giving them the "whole" — The word is "sufficient" not the whole. We are giving them sufficient of the whole to maintain what they have got at that point — what they have got or are in the course of constructing — what is constructed or in the course of construction — they are given at any time enough wood to support that, obviously.

**Mr. Hollett:** Who is to decide that?

**Mr. Curtis:** In case of any doubt, arbitration is provided.  
On motion, Clause 10 and Clause 11 carried.

**Mr. Smallwood:** May I give the Committee an illustration of how this Clause 11 might work? It will interest the Committee to know that, within a radius of fifty miles of the mill at Corner Brook, there are growing on Crown Lands one million cords of wood. Let me repeat that — Within the radius of fifty miles of the paper mill at Corner Brook there are growing on Crown Lands one million cords of good pulp wood. Obviously, the sensible thing is that that million cords of pulp wood growing on Crown Lands within fifty miles (you might say on the doorstep of the Corner Brook mill) should be consumed in the Corner Brook Mill and not be hauled across the Island, or half way across the Island to Grand Falls, or a considerable distance to the Crown Zellerbach mill. Clearly that wood ought to go into the Corner Brook mill. But on the East Coast of this Island, near to where the mill

will be — suppose for the sake of argument this mill were to be in Bay d'Espoir — you have growing in Bay d'Espoir, on the doorstep of the mill (if it should be in Bay d'Espoir) a considerable strand of timber which is owned by Bowaters who have been cutting and exporting it to England. You also have other Bowater wood on the East Coast of Newfoundland, and you have Anglo-Newfoundland Development Company wood. Obviously the thing to do is to make an exchange, and the ones to do that are obviously the Government, because the Government are in close touch with both Bowaters and the Anglo-Newfoundland Development Company all the time, every day of the week, in hundreds of matters that keep coming up all the time. The Government have certain control, certain power, certain influences, and they are the ones who have most to gain by close collaboration between the three paper mills, if Crown Zellerbach comes here and makes a third. So that is what this Clause 11 does. It is extremely important.

**Mr. Hollett:** Yes, very important, Mr. Chairman — Is the Hon. the Premier hinting that the Government will insist?

**Mr. Smallwood:** Practically. Yes, that is the word — "insist" in the public interest, yes.

**Mr. Hollett:** Bowaters will exchange a hundred acres of timber land there for a similar amount here?

**Mr. Smallwood:** Precisely that. Now, we do not think there will be any need to do it, but we must have the right.

**Mr. Hollett:** You are bound to do it here. What is the Government going to do? Expedient it?

**Mr. Hollett:** I am afraid that one of these days Crown Zellerbach Corporation, which has absorbed so many companies in its short history, will eventually absorb the Anglo-Newfoundland Development Company and Bowaters and anybody else around here. The Government is guaranteeing this company wood they will take from Bowaters and the Anglo-Newfoundland Development Company.

**Mr. Smallwood:** Not at all.

**Mr. Hollett:** They will use their best efforts.

**Mr. Smallwood:** Not at all, to exchange, not to take.

**Mr. Hollett:** I see, just exchange wood for wood, one stand of timber for another stand of timber.

**Mr. Smallwood:** Obviously, We have already been approached by Bowaters. Bowater's general manager came in to see me a week ago and brought in his maps.

**Mr. Hollett:** We don't know that.

**Mr. Smallwood:** I don't propose to make public to the house or to the press or to the world the one hundred and one things happening every day and every week, except when there is a need of it. There is a need, at the moment, to say that Bowaters came to me a week ago, produced their maps and said: — "What about this timber growing on our very doorstep on Crown Lands? What about that? Surely you are not going to have Crown Zellerbach coming in and cutting wood there right by our doorstep and hauling it across the Island to a mill somewhere on the East or Southeast Coast?"

I said: — "No, I would not think so." They said: — "Surely we will get a first chance at this Crown Land?" I said: "Yes, but if we give you that million cords of wood and not Crown Zellerbach, then they are down a million they need and you get a million you may not need. What we will do is exchange." They said: — "Why, of course, we will be happy to exchange." Now who are the ones to arrange that? The Government. That is what this Clause says.

**Mr. Hollett:** I still say it does not make sense.

**Mr. Smallwood:** We have another instance — The Howard Lumber Company had a substantial block of timber down near Gander Bay. We, in the interest of the third paper mill, bought that. We bought it. We own it now. We brought it from the Howard Lumber Company. It is a very substantial block.

**Mr. Hollett:** What did you pay?

**Mr. Smallwood:** We paid \$250,000 — \$50,000 a year for five years.

**Mr. Hollett:** Well, there must be someone who can say here if the interest of the Newfoundland people will be respected in such a way as to serve all three mills in a sensible kind of way.

**Mr. Smallwood:** This was all advocated in the Royal Commission Report. It is all there set out.

**Mr. Hollett:** Mr. Chairman, I can see the point quite clearly, but I do not see why the Government want to have anything to do with it at all. If I have a concession here, and John Jones has a concession there, and we want to exchange, let us get together and arrange it ourselves without having the Government come in.

**Mr. Smallwood:** Mr. Chairman, may I answer that right now. The hon. gentleman must be worried, as is every thoughtful Newfoundlander, over the situation that has existed in the paper industry of this Province. It is a pretty worrisome matter right now, especially at Corner Brook. General Kennedy did point out, in his Royal Commission Report on Forestry, that wood is being cut in Newfoundland, loaded aboard trains, and hauled westward for miles and miles until they come to Grand Falls and keeps on going westward until they come to the Topsails, climb up over the Topsails and down the other side, and keep going westward until they deliver the wood to the mill at Corner Brook; passing by Grand Falls. Wood on the other hand is being cut on the West Coast and is being hauled all the way eastward to the mill at Grand Falls. Now, the question of cost of production in the mills at Grand Falls and Corner Brook is getting to be pretty serious, pretty important. And it is imperative, imperative, that these two mills be in a competitive position vis-a-vis the paper mills of North America. That is imperative. One of the things causing their timber in these two mills to be higher than it ought to be in cost is the fact that, instead of this practical and sensible exchange of timber and a joint operation of the cutting of timber, the one

operation to cut timber and shipping it to the mill nearest and most economical — Instead of that you have the picture I have just given; you have wood being cut around Gander Lake by Bowaters and piled aboard the train and hauled past the mill at Grand Falls and then over the Topsails and down the Humber Valley to Corner Brook, and wood which ought to be going to Corner Brook being cut and hauled eastward to Grand Falls.

Now, the time may come when the Government will come in here and ask this house to give it authority to take charge of that position, to take cognizance of it, not nationalize it, but a compulsory exchange of wood; and in the interest of bringing down the cost of logging, so that the wood which is nearest Grand Falls will go to the Grand Falls mill, and the wood nearest Corner Brook mill will go to Corner Brook mill, and what is left will go to the new mill. We may yet come in and ask for that kind of legislation.

Now, the two paper companies will not be surprised. They have read the report. I have discussed it with them already. They have admitted to me already it is not at all a sensible way they are doing it. We may yet have to come in and take authority, if they do not do it voluntarily — What are we going to do? Is the Government to stand by and see the paper industry of Newfoundland, which is the foundation of at least half of our prosperity become uneconomic; become non-competitive, in a non-competitive position vis-a-vis the industry of North America? Would we lie back and do nothing about it? Would it not be our duty to come in here and ask for authority to enforce a rational system of logging and exchange of timber between the existing paper companies? We are not asking for it in this Act. All we are asking is that, in respect of Crown Lands timber, we will have the right to use our best efforts to arrange exchanges. That is all. That does not give us the right of compulsory exchange.

On motion, Clause 11 carried.

**Mr. Curtis:** Mr. Chairman, there are just one or two verbal changes. Clause 12 (1) a (i) before the words "minerals" write in the word "all" — "all minerals." Then, on the next page, six lines from the bottom — "and from any timber leases is-

sued "to" the Corporation instead of "by" the Corporation.

On motion, Clause 12 as amended carried:

**Mr. Hollett:** Could anybody tell us what happens after the two years are up? Do I understand the Government makes an exploration of all Crown Lands and then they will designate, to the company, the Crown Lands?

**Mr. Smallwood:** That is right. That is the case. That is why we must begin at once to survey, after the adoption of this Bill, a lot of surveys will be done.

On motion, Clause 13 carried.

On motion, Clause 14 carried:

On motion, Clause 15 carried:

**Mr. Hollett:** In Clause 16, this to me is a rather high handed manner for this company to acquire land owned by private persons or by other corporations.

**Mr. Smallwood:** Bowaters have exactly that same right, and so has the Newfoundland Mining and Exploration Company and so has BRINCO.

**Mr. Hollett:** Does that make it right?

**Mr. Smallwood:** It is right in any case. Whether they have it or not, it is right anyhow.

**Mr. Hollett:** Does the Hon. the Premier consider that if Crown Zellerbach want to enter on his land on Roche's Line that they have the right to go in and take it without worrying about him?

**Mr. Smallwood:** Of course, if the Government consented.

**Mr. Hollett:** The Government would not consent in your case.

**Mr. Smallwood:** Any land at all, if the Government consented — They can only do it with the consent of the Government. Why not? Some crank has a piece of land where a mill is to be built, where \$30 million a year wages are to be made, and this crank says: "You are not going to have my land." Of course, they have to pay for it.

**Mr. Hollett:** Well, I do not think it is right all the same.

**Mr. Smallwood:** We can take land for housing.

**Mr. Hollett:** The Government, yes, but not a corporation.

**Mr. Smallwood:** We give the right to corporations, with our consent, which means the same thing.

**Mr. Hollett:** I don't think the Government has any right outside itself. It should not give the right to somebody else to enter in on private land and take it, they should not — If the Government want to go in, let them go and they are responsible for compensation, but to give somebody else (a company incorporated in the United States of America) the right to come in on my land — I would shoot them if they came in there. If the Government came in, that is different, but for a company incorporated in the United States to have the right to come in and take my meadow or wood lot — I do not think it is right. If the Government thinks it is right, it is going to go through so —

**Mr. Smallwood:** The honourable gentleman is exercising himself really quite unnecessarily — It is a perfectly normal thing.

**Mr. Hollett:** It is not normal.

**Mr. Smallwood:** Absolutely — Ask the hon. and learned member to his immediate left, or ask any lawyer.

**Mr. Hollett:** It is abnormal. Lawyers are not always right. They are continually falling out with one another in court — one must be right, and one wrong.

**Mr. Smallwood:** That is a matter of varying opinion.

**Mr. Hollett:** I can express my opinion here.

**Mr. Smallwood:** Lawyers vary in opinion but know what the law is.

**Mr. Hollett:** That is what keeps them going. On motion, Clause 16 carried:  
On motion, Clause 17 through 22 carried:

**Mr. G.R. Renouf** (St. John's South): Mr. Chairman, "Should the Corporation determine not to proceed with any operations in the Province, the Corporation shall make available to the Government, at its request, any inventory and growth summaries in the possession of the Corporation relating to timber resources in the Province" — Mr. Chairman, does that mean an inventory of the total information of their operation, or what?

**Mr. Smallwood:** No, only timber resources of this Province, any data that is gathered about the timber of Newfoundland they must pass over to us if they decide to pull out and not go ahead. We have done that with every mining company to whom we have given concessions for exploration; and other concerns. If they decide not to go ahead, they are to pass over to the Government any data they collect concerning the natural resources which we have given the right to explore.

**Mr. Renouf:** That has been clarified. On motion, Clause 24 carried:

**Mr. Hollett:** Mr. Chairman, I am wondering just when can the Government terminate such leases and agreements except as expressly provided in this agreement?

**Mr. Smallwood:** In Section 21, that is spelled out.

**Mr. Hollett:** In other words, if the Corporation fails to notify the Government of its intention to go ahead with the first stage of the newsprint mill etc. then this agreement and all other — that is the only condition under which the Government can cancel out?

**Mr. Smallwood:** No, that is not so, no. If they make a default there, yes, the Government can negate the agreement. Incidentally the hon. gentleman might read the second part of Section 25.

**Mr. Hollett:** Does that mean that if the corporation fails to carry out any of the terms of this agreement, the Government have the right then to enforce, or endeavour to enforce, Section 25 as law? — and that says — "Except as expressly provided in this

agreement, no default by the Corporation here — under, or under any exploration lease or timber lease granted to the Corporation hereunder, shall result in any termination of this Agreement or of any such lease, or constitute grounds for such termination by the Government, but the Government shall be entitled to exercise any and all remedies provided by law for the enforcement of any and all obligations, covenants, and liabilities of the Corporation under this Agreement, and under all such leases." In this Agreement — except as expressly provided in Clause 21, if you like —

**Mr. Smallwood:** Does not the hon. gentleman see that, if under Clause 21 there is no default... go back to Clause 21... if there is a default they lose everything. If there is no default, it means they have built the newsprint mill. Alright, they have built the newsprint mill, now under what conditions should we terminate if they have built? — We can cancel some of their rights as spelled out in the agreement — but do we terminate the agreement when they have built a mill? — what we do terminate is their concession for more timber than is needed for that mill they have built... if they have more timber, we can terminate that.

**Mr. Hollett:** Suppose they make a default in the payment of royalties — what are you going to do then?

**Mr. Smallwood:** Sue them in court.

**Mr. Hollett:** Yes, and when you get judgement what do you do next?

**Mr. Smallwood:** Collect it.

**Mr. Hollett:** How? Ask a lawyer — When I get judgement, if they have not the money, all the judgements in the world won't help to get the money.

**Mr. Smallwood:** You have a mill and can go and take it.

**Mr. Hollett:** Then you have no right to terminate the Agreement.

**Mr. Smallwood:** No, not once they have built a mill. We only have the right to termi-

nate it if they do not build anything — once they have built it, why have the right to terminate it?

**Mr. Hollett:** Suppose they pay no royalties.

**Mr. Smallwood:** Then sue for royalties — if the court gives an order — only a few maharajahs can do that, a few little princelings and dukes, and they can only do it for a short while.

**Mr. Hollett:** I am not only referring to royalty... there are other things they can do and still hold on to their agreement.

**Mr. Smallwood:** If they build a newsprint mill, should we have that right to cancel the agreement? Is that normal? Is that honest?

**Mr. Hollett:** If they make a default under any terms of the agreement, sure you have the right.

**Mr. Smallwood:** If they have built a paper mill and then defaulted in some detail, are we then to have the right to cancel the agreement under which they have the paper mill? No. We cancel the agreement to the extent of the offence and not the whole agreement. Temper justice with mercy — that is one way to put it.

**Mr. Hollett:** You cannot cancel anything under that.

**Mr. Smallwood:** You can, under Section 21.

**Mr. Hollett:** That is, if they fail to build.

**Mr. Smallwood:** Exactly — Once they have built, why have the right to cancel?

**Mr. Hollett:** Do you mean to say they can do what they like?

**Mr. Chairman:** Order.

**Mr. Smallwood:** Suppose they want to build a mill and go to a bank or such people to finance it and they want \$100 million. The first thing the bankers do is to look at the lawyers and say... "What — they want \$100 million. Are they seriously asking us to lend a \$100 million to build a mill? Do you know that, at any time and for any cause, the

Government can cancel that agreement? Do you know that at any time, even though they go ahead and build the mill, the Government can cancel the agreement altogether?" Mr. Chairman, should we have that right?

**Mr. Hollett:** If they make a default, yes.

**Mr. Smallwood:** Let us put it this way — It is a matter of the seriousness of the offence and the penalty. If, for a minor offence, we are to have the right to cancel the right to have a mill, even though they built the mill, it is too silly — nonsense. It is too silly for words.

On motion, Clause 25 through carried:

**Mr. Hollett:** I am glad you have their address anyway.

On motion, Clause 27 carried:

**Mr. Hollett:** Mr. Chairman, has the Government made any arrangements with Mr. Silver about his concession down there? Are we still obligated to Silver?

**Mr. Smallwood:** He is completely out of the picture and Crown Zellerbach is taking it. He is completely out of the picture. There is no claim good, bad, or indifferent.

**Mr. Hollett:** Is there anything in writing from Silver & Company?

**Mr. Smallwood:** Yes.

**Mr. Hollett:** Could we have a copy?

**Mr. Smallwood:** It is agreed to be in writing.

**Mr. Hollett:** I know, it is not in writing yet.

**Mr. Smallwood:** We can certainly get it in writing.

On motion, Bill passed with some amendments.

**Mr. Smallwood:** Mr. Chairman, I think the only business referred to Committee of the Whole was this one Bill. Other Bills can be referred to Committee of the Whole at a later hour today. I, therefore, move the Committee rise and report having passed this Bill and ask leave to sit again, presently.

**Mr. Chairman:** Report having passed the

Bill. Later we can ask permission for Committee of the Whole again.

Mr. Speaker resumed the Chair.

**Mr. Clarke:** Mr. Speaker, the Committee of the Whole have considered the matter to them referred and have instructed me to report having passed a Bill, "An Act to Authorize the Lieutenant-Governor-in-Council to enter into an Agreement with Crown Zellerbach Corporation" with some amendments.

On motion, report received, Bill ordered read a third time presently by leave of the house.

**Mr. Speaker:** It being now six of the clock the house stands recessed until eight o'clock tonight.

Thursday, February 20, 1958 (Night Session)

The house resumed at eight o'clock.

Third Reading of Bill, "An Act to Amend the Department of Highways Act."

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

Third Reading of Bill, "An Act Respecting the Payment of Bounties on the Rebuilding and Repairing of Fishing and Coasting Vessels."

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

Third Reading of Bill, "An Act Further to Amend the St. John's Shops Act."

**Hon. L.R. Curtis (Attorney General):** Mr. Speaker, it is permissible on third reading to make just a nominal amendment. I would ask leave, therefore, (if my honourable friends would refer to the Bill, which is Bill Number 13, an ominous number I must admit for such a Bill;) it will be remembered that in Section 2, amending Paragraph 15 of the Bill, it was my motion that the words be put in "who is resident in the Province at the time of the alleged contravention." The officials in my office do not like that word "alleged" because the word "alleged" is not used in the other reference to contraventions. They asked me if I would having that word stricken out. So I would move, Mr. Speaker, the third reading of this Bill, with the word "alleged" in Section 2 stricken out.

On motion, the word "alleged" stricken out.

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

On motion, that the House go into Committee of the Whole to consider Bills Nos. 31, 32, 33, 34, 35, 36, 40 and 41, Mr. Speaker, left the Chair.

Mr. Clarke, Chairman of Committee of the Whole.

Committee of the Whole on Bill, "An Act Further to Amend the Health and Public Welfare Act."

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

Committee of the Whole on Bill, "An Act to Amend the Department of Municipal Affairs and Supply Act."

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

Committee of the Whole on Bill, "An Act to Amend the Department of Public Works Act, 1957."

**Mr. Hollett:** Is not that \$25 a pretty steep fine for a person who perhaps inadvertently parks his car.

**Mr. Curtis:** Actually, Mr. Chairman, I think the whole effect of that section is to make it possible for people to protect their property. I think it can be assumed that very little, if any, use will be made of it, but if it should be necessary for some person, in order to protect his property, to go to court, the punishment should be sufficient to make it unnecessary for him to have to go there. I do think it is a reasonable amount, because nobody is going to do it on the first offence. A person is only going to do it if he is aggravated.

**Mr. Hollett:** I hope every member on the opposite side of the house gets caught next year parking his car in the wrong place.

**Mr. Curtis:** It is to keep anyone from parking on your lawn and mine.

**Mr. C. Sheppard (Harbour Grace):** Does that section apply to Crown Lands owned by the Government of Newfoundland? I presume Crown Lands is classes as "Land Owned by the Government?"

**Mr. Curtis:** That is the only land that is meant. That is all Government land, and not private land at all.

**Mr. Higgins:** If you go out and park on the barrens, you are likely to be fined.

**Mr. Hollett:** It could be, yes. I do not know if we should carry the like of that - Park a car, in October if you like, on the barrens, Crown Land, and somebody can take you to court.

**J.G. Higgins (St. John's East):** No. Only if the Minister had made regulations in respect thereof.

**Mr. Curtis:** It has to be a breach of regulations made for land both owned and occupied by the Government. That would not apply to land out on the barrens.

**Hon. J.T. Cheeseman (Minister of Fisheries):** We must still go shooting. Motion, that the Committee report having passed the Bill without amendment, carried. Committee of the Whole on Bill, "An Act Further to Amend the Civil Service Act."

**Mr. Hollett:** Why need it apply only to the Department of Education?

**Hon. S.J. Hefferton (Minister of Welfare):** That is how the Act reads at the present time.

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

Committee of the Whole on Bill, "An Act Further to Amend the Districts Courts Act." Motion, that the Committee report having passed the Bill without amendment, carried.

Committee of the Whole on Bill, "An Act Further to Amend the Judicature Act."

**Hon. L.R. Curtis (Attorney General):** In Clause 2 of the Judicature Act, Mr. Chairman, I would ask my colleague, the Hon. Minister of Welfare to move an amendment to revise this section. Perhaps if I read it the hon. members can compare it with their own wording.

"39A - (1) When the constitutional validity



of any Act or enactment of the Parliament of Canada or of the Legislature is brought in question in any action, appeal or other proceedings, the Act or enactment shall not be judged to be valid until after notice has been given to the Attorney General of Canada and to the Attorney General of Newfoundland by the plaintiff, appellant or other person initiating the action, appeal or other proceeding.

(2) There shall be set out in the notice what Act or part of an Act is in question, and the day on which the question is to be argued, and such other particulars as are necessary to show the constitutional point proposed to be argued.

(3) Subject to the Rules of Court provided by or under this Act, the notice shall be served six days before the day set for the argument.

(4) The Attorney General of Canada and the Attorney General of Newfoundland shall be entitled, as of right, to be heard either in person or by council, notwithstanding that the Crown is not a party to the action, appeal or other proceedings."

That, Mr. Chairman, as originally drafted, was taken from one of the Provincial Statutes. The effect of the amendment now is that any person who pleads the fact that the statute is invalid must give the notice. That is as it should be. Now I will just read it over again.

'39 (1) When the constitutional validity of an Act or enactment of the Parliament of Canada or of the Legislature is brought in question in any action, appeal or other proceeding, the Act or enactment shall not be adjudged to be invalid until after notice has been given to the Attorney General of Canada and to the Attorney General of Newfoundland.

That sounds funny. It should be "as the case may be."

**Hon. P.J. Lewis** (Minister without Portfolio): That means a magistrate can settle all questions.

**Mr. Curtis:** That is the effect of it.

**Mr. Higgins:** That is really laying it on.

**Mr. Curtis:** Yes, that will not do. Perhaps we

might deal with the rest of the sections, Mr. Chairman, and come back to that one. I do not like that.

**Mr. Higgins:** Did the Rules Committee have a look at this?

Motion, that Clause 2 stand, carried:

**Mr. Curtis:** At the end of Clause 3, Mr. Chairman, on page 3 of the Act, "unless the plaintiff gives security in such amount and in such form as the judge directs, to ensure the carrying out of the judgement of the Court, and the payment of costs." Then leave out the next words "if judgement is given for the defendant in the action" and then go on "and to compensate the defendant for any damage which may result to him by reason of the issue or execution of the warrant of attachment." Then, at the end add "if judgement is given for the defendant in the act." Put these words at the end of the section.

On motion, Clause 3 as amended, carried:

**Mr. Curtis:** I would move, Mr. Chairman, that the Committee report progress on this bill and ask leave to sit again. If we cannot find something better we will wipe out Clause 2 altogether.

Committee of the Whole on Bill, "An Act to Amend the Fishery (Sale and Distribution) Act, 1957."

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

Committee of the Whole on Bill, "An Act Further to Amend the Undeveloped Minerals Areas Act."

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

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

**Mr. Clarke:** Mr. Speaker, the Committee of the Whole have considered Bills Nos. 31, 32, 33, 34, 35, 40 and 41 and directed me to report same without amendment.

On motion report received, Bills ordered read a third time presently. (by leave).

**Mr. Clarke:** Mr. Speaker, the Committee of the Whole also considered Bill Number 36, "An Act Further to Amend the Judicature

Act, 1957," and directs me to report progress and ask leave to sit again.

On motion, report received, Committee order to sit again at a later hour.

On motion, that the House go into Committee of the Whole on Bill, "An Act to Provide for a Tax on Land Based on the Minerals Therein."

Mr. Speaker, left the Chair.

**Mr. Clarke Chairman of Committee of the Whole.**

**Mr. Curtis:** Mr. Chairman, since I don't think that we have been in Committee on this Bill at all, I might say that since this Bill passed second reading the officials in my Department have been giving it very careful consideration; and the Department of my hon. friend ... don't let me forget them. I think the suggestion is that, as the Committee goes along, some modification will be made which will make the Bill very clear. On motion, Clause 1 carried;

**Mr. Curtis:** In Clause 2, Mr. Chairman, I would move the clause remain as it is except with the following amendment. (e) Definition of minerals. We delete everything that is there and put in a new definition for minerals. Perhaps if I indicate it, at dictation speed, the hon. members might be able to take it down so they will have a record of it. "Minerals" means hematite within, upon, or under, any parcel of land and includes the right existing in any person to work, win, and carry away any hematite within, upon, or under any parcel of land."

**Mr. Higgins:** Mr. Chairman, does the word win have any particular significance?

**Mr. Curtis:** That is the expression used by the Department of Natural Resources — To remove minerals from the soil is to win it.

**Mr. Hollett:** Mr. Chairman, how can minerals have "the right of existing in any one."

**Hon. W.J. Keough** (Minister of Mines and resources); For the purpose of this Act.

**Mr. Curtis:** It means hematite, and includes the right.

**Mr. Hollett:** How can hematite include a right?

**Mr. Curtis:** Defining anything — to include anything.

**Mr. Hollett:** I believe you can but it won't work. Hematite cannot mean a right. It is a solid.

**Mr. Curtis:** I move that amendment, Mr. Chairman.

On motion, sub-clause (e) as amended carried:

**Mr. Hollett:** There was one aye and one nay.

**Mr. Curtis:** Now, Mr. Chairman, I move that paragraph (i) be deleted all together. As it will appear now (j) will be (i) and (k) will be (j) and (k) comes out.

On motion, Clause as amended carried. On motion Clause 3 carried.

**Mr. Curtis:** Mr. Chairman, on Clause 4 — I move that the whole of section 4 be stricken out, and the following substituted therefore; — "This Act applies to the whole of the Province other than that part of it situated on the Mainland of Canada." That is the way, Mr. Chairman, the lawyers in my Department say this Act applies to Newfoundland.

On motion, Clause 4 as amended carried.

**Mr. Curtis:** Now Clause 5. I would move, Mr. Chairman, that the words on the third line be stricken out "situate in a producing area."

On motion, Clause 5 as amended carried.

**Mr. Curtis:** In Section 6, Mr. Chairman, the same words come out "situate within a proceeding area" and substitute therefore the words "Referred to in sub-section (1) of Section 5."

On motion, Clause 6 as amended carried. On motion, Clauses 7 through 12 carried.

**Mr. Hollett:** What do you know. You can appeal to a judge in this Act.

On motion, Clauses 13 through 15 through.

**Mr. Curtis:** Now, Mr. Chairman, Clause 16. I want to move an amendment here. I really do not know how it compares with what is there now.

"Subject to the right of appeal provided in this Act, every owner whose name appears on the assessment roll is liable for and shall on or before the thirty-first day of December, in each year, beginning the thirty-first day of December, 1958, pay to the Minister a tax at an annual rate which shall be fixed by the Lieutenant-Governor-in-Council and which shall not exceed ten mills on each dollar of the assessed value of the minerals owned by the owner, as shown on the assessment roll."

Mr. Chairman, I move that amendment. On motion, Clause 16 as amended carried. On motion, Clauses 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37 carried.

**Mr. Curtis:** Mr. Chairman, I have a new section 38. I do not think any member of the Committee needs to take it down. It is a long sentence.

It is simple and I can tell you what it means. It means that, notwithstanding the Act we passed in 1954 to put a ceiling on DOSCO ore of ten cents for the first million five hundred tons and eight cents on the balance, this Act applies to DOSCO notwithstanding that Act. That is really the position. It goes even a little further, Mr. Chairman, than just making it applicable to this company, it makes their tax provisions are accumulative. In other words, if the maximum tax to which they were subject last year was not paid, their ceiling this year is the amount due this year is the amount due this year plus the balance of last year and plus the balance of the year before. In other words, the effect of this Act is that we can collect from them ten cents a ton and eight cents a ton from the time the agreement was made.

I would move that amendment, Mr. Chairman, instead of the present Clause 38.

**Mr. Hollett:** Mr. Chairman, do I understand this correctly? Is it a fact that the Government proposes to impose a tax of one per cent on the assessed value of minerals underneath the soil, ten mills, which is one

per cent to the dollar; in other words one per cent of the assessed value?

**Mr. Curtis:** An amount not exceeding one cent.

**Mr. Hollett:** Yes, I think that is correct.

**Mr. Curtis:** But the ceiling still applies.

**Mr. Hollett:** How is the assessment made? Surely they are not going to have to pay one per cent of the value of all the ore underneath the soil each year?

**Mr. Smallwood:** Yes. In a hundred years we will have collected one hundred per cent of the value. It is a fairly common practice, you know. It is not novel.

**Mr. Hollett:** The total value of all the ore they have?

**Mr. Smallwood:** That is right. The idea of taxing minerals still in the ground is not new or novel. It is not uncommon.

**Mr. Hollett:** I hope the Government has a happy time collecting it. On motion, Clause as amended carried.

**Mr. Hollett:** Mr. Chairman, I have a new Clause 39 — "(1) Notwithstanding Section 26 of the Mining Tax Act the tax imposed under that Act is not in substitution for the tax imposed under this Act, (2) Where an owner has paid the tax under this Act and is liable for payment of the tax under the Mining Tax Act, the tax paid under this Act in respect of any period shall to the amount of the payment be deemed to be

(a) a payment on account, if less than, or (b) a payment in full, if equal to or more than the tax payable under the Mining Tax Act in respect of the same period."

Mr. Chairman, the effect of the amendment is that there is to be no double taxation. On motion, Clause 39 as amended carried:

**Mr. Curtis:** I would move, Mr. Chairman, that a new Clause 40 be added — "This Act shall remain in force for one year from the date of its enactment."

**Mr. Hollett:** We were not told that before, It

is all very well. Mr. Chairman, for the Attorney General to bring in an Act like that, which on the fact of it is ridiculous, and then suddenly, at the end, the Attorney General brings in a section saying it is only for one year anyway.

**Mr. Curtis:** Actually it was the intention, Mr. Chairman, to revoke it next year, anyway, but we may as well put it in the Act and make it a short term Act.

On motion, Clause 40 carried:

Motion, that the Committee rise and report having passed this Bill with some amendment, carried:

Mr. Speaker resumed the Chair.

**Mr. Clarke:** Mr. Speaker, the Committee of the Whole have considered Bill Number 39 and directed me to report same with some amendment.

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

Motion, that the House go into Committee of the Whole on Bill, "An Act Further to Amend the Mining Tax Act."

**Mr. Speaker:** In view of the fact that the matter we wished to have taken care of in this amendment has now been incorporated in the Bill just receiving assent of the Committee of the Whole, it will not be necessary to proceed with that order, and I move that it be not proceeded with.

It is moved and seconded that this Bill be discharged.

Carried — with the unanimous consent of the House.

#### CITY OF ST. JOHN'S ACT: AMENDMENT

Hon. the Minister of Municipal Affairs and Supply asks leave to introduce a Bill, "An Act Further to Amend the City of St. John's Act."

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

**Hon. B.J. Abbott** (Minister of Municipal Affairs and Supply): Mr. Speaker, I ask leave to have the Bill read a second time now.

**Mr. Speaker:** By leave agreed. It is moved and seconded, by leave, that this Bill be now read a second time.

**Mr. Abbott:** Mr. Speaker, the purpose of this Bill, which is very simple, is to increase the amount which may be paid to the Mayor and Councillors from \$15,000 to \$25,000 annually. The individual amounts may be decided by resolution of the Council. It is also to provide that the water tax now levied against occupiers, (whether these occupiers are owners or tenants) shall be a lien against the property. The idea, of course, behind the amendment being that the owner is the one concerned to concern himself, with the payment of the water tax. Mr. Speaker, I move the second reading of this Bill.

On motion Bill read a second time, ordered referred to a Committee of the Whole House presently. (By leave of the House). Honourable the Minister of Municipal Affairs and Supply asks leave to introduce a Bill, "An Act to Empower the St. John's Municipal Council to Raise a Loan for Municipal Purposes by the Issue of Bonds." On motion Bill read a first time, ordered read a second time now. (By leave).

**Mr. Abbott:** Mr. Speaker, this is a Bill to empower the St. John's Municipal Council to raise a loan for \$1.5 million at an interest rate not exceeding five and one-half per cent. Provision is also made that the bonds may be guaranteed by the Province of Newfoundland. At other times we have had bond issues where it was imperative that the Province should guarantee. In this instance the said bonds may be guaranteed.

The various sections of the Bill are very simple, and I move the second reading, Mr. Speaker.

On motion, Bill read a second time, ordered referred to a Committee of the Whole House presently. (By leave).

Second Reading of a Bill, "An Act to Amend the Local Authorities' Guarantee Act, 1957."

**Mr. Abbott:** Mr. Speaker, the schedule to this Act provides a guarantee for the following:—

The Town Council of the Town of Burin, \$4,000 — That is the amount of money the council requires because of it being forced to repair the road in that town and to meet ordinary operating expenses. The Town Council of Burin seeks to borrow \$4,000 from the bank. The loan is to be repaid in

five years, but the bank will grant a loan only if the Government guarantees it.

The Town of Freshwater is seeking a loan from the bank of \$3,000 to meet principal and interest payments due on the bond issue. On this \$3,000 the bank requested a Government guarantee, which was given subject to the enactment of the enabling legislation. Repayment of \$2,000 of this loan has now been made.

The Rural District Council of the Rural District of Springdale — South Brook, \$40,000 guaranteed. The Council has to repay a bank loan which they received for \$25,000. This bank loan was to purchase diesel power generators to provide the municipality with electricity. This loan of \$25,000 was guaranteed by the Minister of Municipal Affairs and Supply, of course subject to legislative sanction. The balance of \$25,000 is required to complete the installation of the system.

The Town Council Jerseyside, \$50,000: I may say this amount is required to complete their installation of a water and sewer system.

Then we come to the Town Council of the Town of Mount Pearl Park — Glendale, \$49,750. A survey is being carried out there, and although this amount will not be substantial for the project, nevertheless the amount has been borrowed by the Town Council of Mount Pearl Park — Glendale from the Bank of Nova Scotia to pay for surveys and the designing of a water and sewer system in that area. Arrangements for financing the installation of the system added to the cost about \$1,750,000 in order to complete that project.

Wabana: This amount of \$115,500 was borrowed by the Town Council of Wabana from the Bank of Nova Scotia in order to pay for surveys carried out there by the Canadian British Consultants. They carried out the survey in Wabana and that report is now in the hands of the Cabinet, and arrangements for financing the installation of the system will amount to \$3 million. But this amount here we are asking for is the amount which the Bank of Nova Scotia has really loaned to the council for the payment of the surveys.

The Council of the Town of Windsor, \$250,000 — Because of the delay in the construction of the water and sewerage at Windsor, the Town Council there will have

to meet an increase in interest charges and other various miscellaneous expenses. This, coupled of course, with the discount on the present and the two previous issues of debentures will cost an additional \$100,000. This will be needed for the installation of service, connections from the main to the dwellings.

At Deer Lake this \$350,000 is needed for extensions to the town's present water and sewer system.

Mr. Speaker, I move second reading of this Bill.

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

Hon. the Minister of Education asks leave to introduce a Bill, "An Act to Provide for the Establishment of the Alcohol Education and Research Foundation."

On motion, Bill read a first time, ordered read a second time presently.

(By leave).

**Premier Smallwood:** Mr. Speaker, this Bill is pretty well self-explanatory. The legislature has been voting each year a sum of money to go towards the cost of temperance education, and the money voted has gone, in fact, to an organization known as the Temperance Federation. My understanding is that those concerned in that federation desire to have a re-organization of their affairs, leading to the disappearance of the federation and the setting up of this new Alcohol Education and Research Foundation, to which future monies voted by the house would go, rather than to the old existing Temperance Federation. I do not think it matters too much. If it is the desire of the house each year to vote a sum of money to be spent for temperance education, I do not think it matters too much who received it, so long as the people receiving it are reputable, decent people who spend it honestly and for the purpose of temperance education. It is the temperance people themselves who have suggested this new organization in place of the existing one — It has no other meaning than that — I move second reading, Mr. Speaker.

On motion, Bill read a second time, ordered referred to a Committee of the whole house presently. (By leave).

**Hon. L.R. Curtis (Attorney General):** I

wonder, Mr. Speaker, if by leave the house could now go into Committee of the Whole on Bills Number 37, 38, 45, 46, and 47.

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

Mr. Clarke, Chairman of Committee of the Whole.

### LOAN AND GUARANTEE ACT: AMENDMENT

Committee of the Whole on Bill, "An Act to Amend the Loan and Guarantee Act, 1957."

**Hon. M.M. Hollett** (Leader of the Opposition): I wonder could the Minister tell us what is the total amount which is now guaranteed under the Loan and Guarantee Act?

**Hon. J.R. Smallwood** (Premier): Most of these are paid off. These guarantees, as a rule, are only for a year. Since the tight money policy came in, the banks do not accept guarantees for more than a year. What happens is this:— As a rule, during the year, something crops up, some one is short of money and application is made to the Cabinet, which decides "yes" or "no". If it is "yes" we give the guarantee and then, when the house meets, we have to ask the house to sanction what we have done; but the guarantee we have given in the meantime — is only for a year. We have to pick it up before the year is over. So that these guarantees only run from year to year. In other words, there is no accumulation of them.

**Mr. Hollett:** Can the Hon. the Premier tell us how much money has been paid out to satisfy these guarantees?

**Mr. Smallwood:** The amount shown here.

**Mr. Higgins:** There are a couple of items in this, Mr. Chairman — This amount here for Mrs. Marion Hawco, \$3,746.66.

**Mr. Smallwood:** I think they took her over yesterday. The bailiff took possession yesterday.

**Mr. Curtis:** Actually, Mr. Chairman, what happened in this case, we took a mortgage and it was not sent to us for registration within the time limit for such deeds. In the meantime, the fellow who built the building came in with an attachment and got ahead of us, and we had to put up the amount, I am hoping only temporarily.

**J.G. Higgins** (St. John's East): Are they doing business now?

**Mr. Smallwood:** Doing business, but she has been defaulting on the interest payments. She has a really fine establishment and we are handsomely covered. We took possession of it yesterday, through the bailiff. We will sell it and get our money back.

**Mr. Hollett:** Raymond LeRiche is a long liner?

**Mr. Cheeseman:** A coasting vessel. Mr. Raymond La Riche in Port Aux Basques.

**Mr. Hollett:** What about Atlantic Gloves Limited, \$21,200.00. Why did we have to make good on that?

**Mr. Smallwood:** That is a loan of nearly a year ago, the late summer sometime.

**Mr. Hollett:** Some of these people never seem to make good on these loans. They always default on the payments to the bank and the Government has to make good the loan. How long is that going on?

**Mr. Smallwood:** That is the reason for the advice of the Arthur D. Little Company — We have given them no more.

**Mr. Hollett:** You gave them some this year.

**Mr. Higgins:** Not after the report.

**Mr. Hollett:** That applies to Adler here?

**Mr. Smallwood:** That is part of a total amount recommended by the Arthur D. Little Company, and there is one final payment to be made under that recommendation.

**Mr. Hollett:** That also applies to Newfoundland Hardwoods Limited?

**Mr. Curtis:** I can explain that, Mr. Chairman. The \$26,700 was an amount of royalty they had to pay for some wood they cut, and the Government decided to let them have a loan of that much money instead of repaying it to carry over some areas of the fire insurance — The amount of \$200,000 was not really given for the sake of Newfoundland Hardwoods, but to enable them to assist people who have been unable to get any contracts to cut wood, to cut birch. This is a revolving fund, so they can handle this birch as and when it comes in, not so much for the sake of the Hardwoods Company, although they would benefit, but primarily to help the wood cutters who are being laid off earlier, who had the equipment all ready but had no market for their labour.

**Mr. Hollett:** I take it Bowaters paid the company for wood they sold?

**Mr. Smallwood:** They could — but did not.

**Mr. Hollett:** Why did they not?

**Mr. Smallwood:** Because we permitted them not to pay us (as a royalty) but to pay it on the pressing account of the fire insurance sprinkler system. They have a sprinkler system in there installed by a Montreal firm. It was insurance — it was not the sprinkler that was paid off about a year ago

— This is fire insurance.

**Mr. Hollett:** Very well, but it looks to me like they did not pay their royalty to the Government.

**Mr. Curtis:** They did pay but we paid it back to them — That is what it amounted to.

**Mr. Smallwood:** To enable them to pay the fire insurance.

**Mr. Curtis:** For book-keeping purposes we had to do it that way.

**Mr. Smallwood:** It is a loan to them. We have to show it in the loan Bill.

**Mr. Hollett:** Is there any report from Little

& Company on Newfoundland Hardwoods?

**Mr. Smallwood:** A partial report. They have to make a final one so many months hence. Actually the position is; almost a year they have gone along under their own steam, and the Little people think perhaps they might be able to continue doing so.

**A.M. Duffy (St. John's Centre):** That partial report on the Newfoundland Hardwoods Company is favourable?

**Mr. Smallwood:** I would not say favourable, but not unfavourable. They said they would rather wait for another six months and take another look, because they appear to be going along under their own steam. The management in there are all purely local people. This man, Myers, who formerly ran the plant at Clarendville, appears to be making out and cutting corners, and they appear — appear, I say — to be going along under their own steam, which is a position devotedly to be desired.

**Mr. Hollett:** Could the Hon. the Premier tell us how many men are employed by the Newfoundland Hardwoods?

**Mr. Smallwood:** I do not know the number at the moment.

**Mr. Hollett:** Could the Premier give us an "idea" as to how many?

**Mr. Smallwood:** I would say a lot depends upon how many are in the plant at Clarendville. They have two plants at Clarendville, all one enterprise, making surfacing for roads and airports, and the creosoting of telegraph poles and railway ties. Then there is the plant in on the road.

**Mr. Hollett:** How many are employed by Adler's?

**Mr. Smallwood:** Seventy, eighty, or ninety, somewhere around there.  
On motion, Clause 2 carried.

**Mr. Hollett:** Mr. Chairman, is that carried? I wanted to ask a question about Bonavista Cold Storage Company Limited. Is that \$200,000 to buy a new trawler?

**Hon. J.T. Cheeseman** (Minister of Fisheries): That was a rent arrangement for re-opening the plant at Fortune.

**Mr. Smallwood:** That is not in Bonavista, it is Grand Bank. The name of the Company at Grand Bank is the Bonavista Cold Storage.

**Mr. Hollett:** Yes, I know.

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

Committee of the Whole on Bill, "An Act to Amend the Local Authorities Guarantee Act, 1957."

**Mr. Hollett:** Mr. Chairman, I wonder if the Hon. the Premier could tell us just how much now has been guaranteed with all these town councils and rural district councils, since the passing of the Act in 1957?

**Mr. Smallwood:** I think it is nearly \$10 million. If you take \$4.5 million, I think it is, for the water and sewer system in Corner Brook, and then the various water and sewer systems at Springdale, Burin, Fortune, Grand Bank, Port-aux-Basques, Channel, Deer Lake, Belleoram and perhaps one or two others, and Windsor, which is quite a big one, I would say it would be close to \$7, 8 or 9 million altogether for municipal improvements.

**Mr. Hollett:** I wonder if the Hon. the Premier could tell us about what these bonds fetched in cash, what are they sold at?

**Hon. B. J. Abbott:** (Minister of Municipal Affairs): Some ninety-seven and ninety-eight.

**Mr. Hollett:** I wonder if the Minister could tell me why a local town council can sell their bonds for ninety-seven and ninety-eight —

**Hon. E. S. Spencer:** (Minister of Finance): The hon. member is wrong — It is not correct to say that the bonds sold in the market so that the net result to the municipalities, at Windsor for instance, was ninety-eight and a half. That is what the bonds are selling at today. Actually the net value there, as I re-

call, is ninety-four and a half to the town council at the time of the sale.

**Mr. Smallwood:** All these bonds depreciate considerably after they have gone on the markets awhile.

**Mr. Hollett:** The reason I asked the question is because of the miserable amount the city of St. John's is able to get.

**Mr. Spencer:** Sold at ninety-two percent, commission, and got eighty-eight.

**J. G. Higgins:** (St. John's East): At that time it was at its very worst.

**Mr. Smallwood:** So tomorrow, if you go on the market, you have to watch very carefully or you may get a bad deal, whereas two weeks hence or a week ago you might get a much better deal. It depends on what the market is like, and how many people are on it with offers more attractive than your own.

**Mr. Hollett:** Am I to understand the City of St. John's is not watching the market very carefully, before they sell their bonds, Mr. Chairman?

**Mr. Spencer:** It might be well at this stage if I were to say, for the benefit of the Committee, that we in the Provincial Government, when we have to guarantee bonds for any of the municipalities, we keep what may be termed a watching brief on the market, and we have financial advisers in the market in Montreal and Toronto, who in turn advise us, and where we have to guarantee bonds, as we have in most cases for the municipalities, we advise them as to when they should go into the market. In the case of the St. John's Municipal Council, last year the need was urgent and they had to take what they could get. But actually, none of the municipal councils, school boards or anything else raising money in the bond market today, with a Provincial Government guarantee, can go into the market without our okay, and on the advice of our financial advisers we decide whether or not they can go in.

**Mr. Smallwood:** I think too, this particular issue of St. John's was held up by us for quite awhile, until we had disposed of our own



issue. Naturally we were not going to allow a "creation" of the Legislature to take priority over its own creators. This house is the creator of the City Council of St. John's, and this house was guaranteeing a bond issue for its creature, and so was not going to allow its creature to get priority over itself. So that the Government took care to float its own issue before permitting the city float its issue.

**Mr. Hollett:** I take it was on the financial advisers of the Government's advice that the bond issue was sold.

**Mr. Higgins:** No. No.

**Mr. Smallwood:** The timing of it was approved by the Government.

**Mr. Hollett:** There was a watch over the selling of all these bonds, as the Minister said. I take it, then, it was on the advice of the Government's financial advisers this bond issue was sold by the Municipal Council of St. John's.

**Mr. Spencer:** Mr. Chairman, the hon. member has unfortunately gotten a wrong impression of what I said. Perhaps it is not his first time getting such a wrong impression.

**Mr. Hollett:** Maybe not.

**Mr. Spencer:** The actual position is that, where municipal and — or school boards and others raise bond issues which must be guaranteed by the Province, then they do not go into the market; we cannot allow them going into the market (you might put it that way) and perhaps injure the credit of the Province. It is a foregone conclusion that the municipality would pay at least up to one and a half per cent more than the Province pays. It is unfortunate that we in Newfoundland have to pay at least a half of one per cent higher than other Provinces of Canada (perhaps better known than Newfoundland in the market) although our credit is especially good, and I am happy to say, Mr. Chairman, improving very, very considerably.

In this case, when the municipality wanted to go on the market last year His Worship the Mayor contacted our Department, and

we in turn were in contact with the financial advisers, and we had to hold that up, as much as we disliked to do it. We had to hold the municipal council up for some considerable time, and finally gave our okay; and our work was through for the time being and we were prepared to guarantee their bonds, and they got the best they could out of it. It was their business to sell their bonds. What they got is a different matter. But it is very important to remember that municipalities, in every case, pay a higher interest coupon rate, if you like, than the Province does, and that varies from one half to one percent. Now, at that time we could get all the money we wanted if we took it at ninety-two percent.

**Mr. Hollett:** Why not get it and give it to the municipal council?

**Mr. Spencer:** We refused to go into the market. That is why we curtailed our capital account expenditure. We refused point blank, on behalf of the Newfoundland people, to borrow money at an expensive rate and further burden our people with such high interest. That is why capital account was curtailed.

**Mr. Hollett:** But you did let the municipality go into the market and sell these stocks at eight-eight.

**Mr. Smallwood:** The position is that we would not let them go into the market until we had first placed our own bonds. Then we said: "you are free to go in now whenever you like."

**Mr. Hollett:** I see. The unfortunate part of the matter is that the Financial Times the other day published a list of all bonds and stocks sold by the various Provincial Governments throughout Canada and every municipal council in Canada, a whole list of about three pages in the "Financial Times." I went through them very, very carefully. Most of them were up around ninety-six, ninety-seven to ninety-nine, but here when we came to the Municipal Council of St. John's it was eight-eight. How does that reflect upon —

**Mr. Spencer:** This is a comparison you are making between the municipal Council of

St. John's and other bonds quoted in the "Financial Times," which were not for the same time.

**Mr. Hollett:** January to December

**Mr. Spencer:** Look at the difference in six months.

**Mr. Hollett:** I say this only, the only council that got such miserable prices was the Municipal Council of St. John's. Now the Deputy Mayor is very anxious to get up and do some explaining.

**Mr. J. D. Higgins:** (St. John's East): I certainly am.

**Mr. Hollett:** I still have the floor, and I am telling the exact facts as they are, and I regret very much that it did happen and hope it does not happen in this new bond issue.

**Mr. Higgins:** Now, Mr. Chairman, I would like, in justice to the Mayor of the municipality of St. John's, to correct any misapprehension that may exist in the minds of any hon. members in this house about the credit of St. John's, the City of St. John's, which is one of three municipalities in the whole of Canada which has a completely unblemished record. I think the Minister of Municipal Affairs could corroborate that. For the past three years, the City of St. John's is one of three communities in the whole of Canada showing a credit balance on its whole operation.

What happened last year was certainly very essential. Public Works had to be done, and as has been explained, the Municipal Council was not permitted at the time to go into the market and it was obliged to curtail its issue to one and a half million. The Hon. Leader of the Opposition has certain information from the "Financial Times." I find it rather astonishing he should have to look to the "Financial Times." Anyone who read the local newspapers last September and October could have seen a statement from the Mayor of St. John's explaining exactly what had been raised, and how it had been found necessary to accept the lower figure, the figure of eight-eight. The figure of eight-eight dollars represents not the amount that is paid by the people who

brought the bonds, but a figure of approximately ninety-one, on which some two per cent was paid to the broker handling it. That figure at that time represented a position, insofar as the City of St. John's is concerned, and its credit rating. Its bonds fetched the top in the market at that time. A couple of weeks before it might have been ninety-two and a couple of weeks later it would have been less. It was just that the City at that time had to go in. I do think Mr. Chairman, I would be less than honest to the gentleman operating the City of St. John's if I allowed this misapprehension to continue.

**Mr. Hollett:** I see. Then Mr. Chairman, if it bought at the prices then existing, what right had the City of St. John's to go into the market at that miserable price? On the advice of the financial advisers of the Government?

**Mr. Higgins:** No. The City of St. John's had its own advisers.

**Mr. Hollett:** It is not beholden to any advice from the Government?

**Mr. Higgins:** We are very glad to have the advice supplemented.

**Mr. Hollett:** Somebody slipped up, in my mind.

**Premier Smallwood:** Mr. Chairman, I should like to avail myself of this present opportunity to go on record as saying that we have made every effort since we have been in office, and that was on the day that we became a Province of Canada, to establish and to maintain a most cordial and co-operative relationship between ourselves and the City Government of St. John's. We pride ourselves, as a Government, on the very cordial understanding that exists between the City Government and ourselves. We pride ourselves also on this. The City Government, through its Mayor and Deputy Mayor, and doubtlessly the councillors, have been quite generous in its public acknowledgement from time to time of the fact that the Government of the Province have tried to work in warm and cordial cooperation with the City Government. We appreciate that very much. The City's chief

executive, and the second chief executive of the City of St. John's, have never failed to make public their appreciation of the attempts of this Government to be generous towards the City. We appreciate the fact. We have tried to be generous towards the City. We appreciate the fact. We have tried to be generous, and that fact has not been unappreciated by the City.

Now — If I can ferment a little feeling now between the Leader of the Opposition and his principal lieutenant, that is good then for this part over here — If we can divide we will conquer — My advice to them is not to become divided but to stick closely together, closer than brothers, and don't go feuding now. The Opposition is small as it is. Keep your strength up, and don't go getting mad with each other. Mr. Chairman, I should say, they ought not to get mad with each other, because I ought not to address them directly — and recollect that although the Leader of the Opposition and I are bay-noddies, out-harbour men, we have been living here in the City awhile, domiciled in St. John's, and we must have a kindly thought towards St. John's, up to a point — up to a point — The hon. gentleman must expect to pay taxes, he must expect to pay more taxes as he gets more services, as he gets more value. Now what is wrong with the hon. gentleman? He is sore with the City because he has got to pay a trifle more in taxes. But look at the value he gets for the money. It was David Thoreau, I think who said: "Taxes are a very cheap price to pay for civilization." The City Government are trying to give St. John's some degree of civilization, and they naturally expect to pay for it.

**Mr. Hollett:** Mr. Chairman, there is reason in all things, almost. Well, if the City Council had gone into one of the loan companies on Water Street and said: "Look we want" —

**Mr. Smallwood:** The maharajahs.

**Mr. Hollett:** The City lost twelve per cent — Whilst it is my duty here in this house to bring these things to light, and I intend to do it whether I offend anybody. Whether I do or not I cannot help that. I want to point out that I do not want to see the City bonds sold at such a wretched price anymore. I agree with the Premier, the City of St.

John's does not deserve that. The City of St. John's is a sound proposition. But if anybody in charge, like the Government, makes a mistake and sells bonds at such a low rate of interest, then I feel it is bad and there had to be a change either in the Government or the City Council.

On motion, Clause 3 carried.

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

Committee of the Whole on Bill, "An Act Further to Amend the City of St. John's Act."

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

Committee of the Whole on Bill, "An Act to Provide for the Establishment of the Alcoholic Education and Research Foundation."

**Mr. Higgins:** I take it, Mr. Chairman, the definition of alcoholism is purely for the purpose of this Act."

**Mr. Hollett:** I do not think we should pass an Act with a definition like that in it, because it is entirely wrong. Any person suffering from alcoholism does not mean "any condition produced by the action of alcohol in the human system because then anybody taken one drink is affected."

**Mr. Smallwood:** There is a condition produced. It is not necessarily alcoholism.

**Mr. Hollett:** That is what this Act says. I do not like to see this house pass anything like that.

**Mr. Smallwood:** Surely if I take a glass of wine with a meal I am not an alcoholic under this Act?

**Mr. Hollett:** Yes, under this Act.

**Mr. Smallwood:** By law I am?

**Mr. Hollett:** I would suggest this definition be altered, but it is immaterial to me.

**Mr. Higgins:** In Clause 4, if I am not out of order, I wonder if one of the clauses is to promote the prevention of alcoholism — I think we better carry it.

On motion, Clauses 1 through 17 carried: Motion that the Committee report having passed this Bill without amendment, carried.

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

**Mr. Clarke:** Mr. Speaker, the Committee of the Whole have considered Bills Number 37, 38, 46 and 47 and directed me to report same without amendment. On motion report received Bills ordered read a third time on tomorrow.

**Mr. CARKE:** Mr. Speaker, the Committee of the Whole also considered Bill Number 45 and directed me to report same with some amendment.

On motion, report received.

**Mr. Curtis:** Mr. Speaker, I wonder if that Bill could be recommitted, or perhaps we can agree to do it on third reading— There is a clause in that Bill which I do not like. I think we can change it tomorrow. It slipped through tonight when I was not attending. The Bill provides that the loan shall be guaranteed by the Government. I intend to move, when we have third reading, that the word "may" be inserted there instead of "shall." I think we can remedy that on third reading.

**Mr. Speaker:** I have not yet put the motion that it be read a third time. Perhaps we could have Committee of the Whole House on it tomorrow.

**Mr. Curtis:** Mr. Speaker, I was going to move we go into Committee on Bill Number 43 and 44. I wonder if we could also have that one recommitted also.

Motion, that Bill Number 45, "An Act to Empower the St. John's Municipal Council to Raise a Loan for Municipal Purposes by the Issue of Bonds," be recommitted, carried.

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

Mr. Clarke Chairman of Committee of the Whole.

Committee of the Whole on Bill, "An Act Further to Amend the Education (Teachers' Pension) Act."

**Mr. Hollett:** Mr. Chairman, On Clause 1, I want to say one more word about teachers' pensions. I am referring now only to those teachers of mature age who were pensioned some years ago when you could buy something for a dollar. I have spoken of this before and I want to speak of it again, with the idea in view of trying to urge the Government to look into the few cases where there is definitely hardship because of the fact these old, retired teachers are unable to live decent lives on the pensions which they are getting. Until that wrong is righted, I fail to see how you are going to get young teachers to come in to the Education Department as teachers. There are not too many teachers who are getting these miserable pensions, and this would not cost the Government too much, to endeavour to find some means whereby to increase these pensions. I do implore the Government at this time to make some effort to even up the pensions of these older, retired teachers, comparable to some extent with the cost of living as it is today. I wonder would the Minister like to say something on that, or if any steps are being taken?

**Premier Smallwood:** Mr. Chairman, I have already said, in this session of the house that the Government are actively considering making changes in the matter of pensions for ex-policemen, pensioned policemen, pensioned teachers and possibly others; and when the estimates are brought down in May, and the Budget, there may be something on that matter then. I cannot anticipate what my hon. friend, the Minister of Finance will do in his Budget, as it would be highly improper, if I were able to say so, for me to do so. But there is a possibility that, on the occasion when the house opens in May that that matter might be dealt with under some heading or in some form.

On motion, Clauses 1, 2 and 3 carried.

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

Committee of the Whole on Bill, "An Act Respecting Mortier Bay Development Company, Limited."

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

Committee of the Whole on Bill, "An Act to Empower the St. John's Municipal Council

to Raise a Loan for Municipal Purposes by the Issue of Bonds."

**Mr. Curtis:** Mr. Chairman, I ask that Section 3 be reconsidered and that the word "shell" be stricken out in the first line and the word "may" substituted.

On motion, Clause 3 as amended carried. Motion, that the Committee report having passed this Bill with some amendment, carried.

On motion that the Committee rise and report progress, Mr. Speaker resumed the Chair.

**Mr. Clarke:** Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have instructed me to report having passed Bills Number 43 and 44 without amendment.

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

**Mr. Clarke:** Mr. Speaker, the Committee of the Whole have also considered Bill Number 45 and directs me to report same with some amendment.

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

Hon. the Attorney General asks leave to introduce a Bill, "An Act to Amend an Agreement made pursuant to the Act Number 32 of 1954 between the Lieutenant-Governor-in-Council and Dominion Steel and Coal Company Limited, Dominion Wabana Ore Company Limited and Nova Scotia Steel and Coal Company, Limited (Number 48)."

**Mr. Curtis:** I would ask leave, Mr. Speaker, and I would ask the unanimous consent of the house to have this Order discharged. On motion, and by unanimous consent of the house, order discharged..

**Premier Smallwood:** Mr. Speaker, in moving that the house will now adjourn, may I say that I think we may congratulate ourselves on a tremendous amount of work accomplished today, in this sitting of the house. Tomorrow we will have the third readings that arise from the work we have done today and tonight. In addition, my colleague, the Minister of Finance, will introduce the Loan Bill giving the Government authority to float a bond issue, if the

need should arise between now and May, when the House reassembles. There is a second Bill concerning the Gasoline Tax, which my colleague will also introduce tomorrow. Except for that we have no other public business tomorrow except to take the adjournment. His Honour, the Lieutenant-Governor has been invited to give the Royal Assent to the legislation enacted up to the amount, of his arrival. On the opening of the house tomorrow I intend to make quite an important statement, which I had planned to make today.

Mr. Speaker, I move the house do now adjourn, and at its rising adjourns until tomorrow, Friday at three o'clock.

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

Friday, February 21, 1958 (Afternoon Session)

The House met at three o'clock.

#### PLANS FOR EDUCATION:

**Hon. J. R. Smallwood (Premier):** Mr. Speaker, some months ago I asked my colleague, the Minister of Education, to apply his mind actively to the work of evolving a policy for the improvement of our system of education in this Province. I asked him to organize amongst his staff in the Department of Education an intensive enquiry and consideration that would enable him to formulate this new policy. I informed him that what I wanted was a policy that would be a practical expression of his dreams for education in Newfoundland and would, at the same time, be the greatest forward step ever taken in education, in the history of Newfoundland. It was, Mr. Speaker, a great challenge to my colleague, and I am now able to present the results to this house. The Minister of Education brought forward his proposals, they have been carefully considered by the Cabinet, and I now present them as the policy of plan of the Government as a whole.

Mr. Speaker, we have about thirty-three hundred classrooms in all the schools of Newfoundland. These classrooms are operated and maintained by the respective religious denominations. It has proved to be a great burden on them to maintain these

schools—that is, to provide light, heat, cleaning, ordinary repairs, continual replacement of broken equipment, and a score of other items that go to make up the maintenance of these buildings and classrooms. The government grant toward the maintenance of schools has been running around \$400,000, or somewhat less than that, for some years past. Commencing in the new school year, we intend to raise this yearly grant for the maintenance of our schools up to the figure of well over double that amount. From less than \$400,000 a year we are raising it to more than \$800,000 a year. We have been paying \$50,000 a year to the Department of Education for the purpose of enabling the Department to help their denominations to buy school desks for their various schools. The \$50,000 a year, though much more than had ever been paid out annually before, has proved to be entirely insufficient to enable the schools to keep up with the tremendous increase in enrollment. We are therefore raising this amount from \$50,000 to \$100,000 each year, and this will pay the cost of thousands of new desks every year in future.

In addition to these increases in the yearly grant, Mr. Speaker, we are introducing three entirely new grants to virtually all schools in this Province. The first of these is a grant that is meant to assist all our schools to acquire and to operate school libraries. It is a deplorable fact that very few of our schools possess, or have very much chance to possess, a school library. We are going to grant the following amounts for school libraries:—to schools having 1, 2 or 3 rooms, the sum of \$50 a year; to schools that have 4 up to 10 classrooms, the sum of \$100 each year; and to schools having over 10 classrooms, the sum of \$200 a year. Our hope is that within a very few years practically every school in Newfoundland will have its own library.

Secondly, we are providing to every school in Newfoundland that has 4 classrooms or more a yearly Science Grant for the purpose of providing the schools with science equipment. We will grant \$100 a year to every school having from 4 to 7 classrooms; \$150 a year to every school having 8 to 10 classrooms; and \$200 a year to every school having over 10 classrooms. Our hope is that this will provide all these schools with

equipment for the science classes, and enable them to keep their science equipment up to date and in good shape.

Thirdly, we are going to pay out a new Domestic Science Grant to all schools with 4 or more classrooms. It will be paid on almost exactly the same scale as the grant for science equipment.

Teachers with all members of the school boards, Mr. Speaker, will understand, if the general public do not, when I announce further that the 40 students per classroom as the unit of measure for the amount of maintenance grant to each individual school is now being reduced to 35 students. This will bring to each school substantially more in maintenance, and more in salaries to the teachers, than they have been receiving up to now.

This, then, Mr. Speaker, is the first stage in our new "Charter" for educational progress—more than doubling the yearly grant for maintenance of our schools. It wipes out, for all time, the miserable necessity that has existed for the children in the smaller schools in our outports of carrying lumps of coal or junks of wood to school each day to help keep the school warm. It wipes out the unfortunate necessity that has existed in so many of our small schools of students themselves having to sweep or even scrub the floors. It puts the children of our small outport schools on the same footing, in this regard, as the children of the very best schools of St. John's.

Mr. Speaker, before children can be taught, or teachers engaged, there must first be a school building. All school buildings in Newfoundland are the property of the religious denominations. There are one or two buildings in this Province which are exceptions to this but not more than one or two. The religious denominations have always had a very severe struggle to find the money with which to build these schools. Up to the present time, the Government of Newfoundland has been assisting the denominations in this matter, by making a yearly grant toward the cost of constructing new schools. This grant, at the present time, is \$500,000 a year. Steadily, year by year, without any variation at all we have been paying \$500,000 to the religious denominations to enable them to build schools in this Province. Commencing in the new school

year we are raising this amount from \$500,000 a year to \$1 million a year.

In addition to doubling the amount of the yearly grant in aid to the religious denominations for the construction of schools, we are changing the proportion of the contributions made for school construction by Government and church school boards. Up to the present time, the church school boards are required to contribute half of the cost of school construction, while the Government contributed the other half. We are changing this to be 40% from church school boards, and 60% from the Government. We believe that our action is doubling this yearly grant for new schools construction will enable our people, through their religious denominations, to construct schools at which the rate and twice the pace of recent years, and thereby very quickly overtake the classroom shortage that exists in this Province today.

Mr. Speaker, there are few things that we have done in the field of education that give us greater cause for pride than our introduction, almost five years ago, of our Regional School Program. This is the policy we adopted, and this hon. house approved, of voting a total sum of \$500,000 each year toward the cost of erecting, (not ordinary schools that I was talking about a moment ago,) but a special type of school known as a Regional High School. That is, of course, a school which is erected in the centre of a given section or area. It teaches grades 9, 10 and 11 and to it each day come all the students of that area or section, in many cases distances of a good many miles. This relieves the strain on the small schools of that section or area, for they are thus enabled to concentrate on grades up to but not including grade nine. We have, since then, broadened our policy by including what are called Central High School. They are of generally the same type as the Regional High Schools, except that they admit students in grades seven and eight as well as grades nine, ten and eleven. As I say, we have been granting \$500,000 a year towards these Regional and Central High Schools, but we are not satisfied that this is by no means sufficient to allow enough of these Regional or Central High Schools to be constructed. We are therefore increasing the yearly grant from \$500,000 to \$1 million. A few years ago, Mr. Speaker, we asked this

house to pass legislation raising the status of our Memorial University College to that of a full-fledged university. The house was pleased to pass the law, and our University was legally born. The enrollment has increased very considerably, indeed, and we have been forced to provide the University with several large new temporary buildings to accommodate the students. This is only a makeshift arrangement at best, and the time has now come to commence construction of the series of great new buildings that will constitute the new campus. The architects and engineers have made their designs, plans and specifications, and these have been approved by University and Government alike, and we are now ready to call upon construction companies to submit their tenders for the construction contracts. We propose to spend at least a million dollars in the coming year on the first phase of University construction.

If I may at this point express a purely personal feeling, Mr. Speaker, it is to say that I have hoped from the beginning that our Newfoundland University would have one great distinctive feature that would, above all else, make it a distinguished institution in this Province. I have hoped that the University would become distinguished in its extension work. It has been my ambition to see the work of our University carried out to every part of our Province, with its influence being impressed upon our people, and its spirit used to inspire and mold the youth of Newfoundland. I am fully convinced of the fact that, through the teachers who receive their training at the University, this influence is indeed brought to bear upon hundreds of thousands of our young people, but I am far from satisfied that this is as far as the University ought to go in this direction. I still hope to see our University launch a great extension program in this Province.

I turn now, Mr. Speaker, from what you might call one extreme to another—from University to the most practical type of education. I refer to "Vocational Education." We have in recent years done something to assist and encourage vocational education in Newfoundland, but nothing compared with what is needed. We have therefore decided to embark upon what we can call a vast Vocational Education Program. It will take us, we believe, the best part of the next five

years to get into full operation, but we will make a beginning this very year. The program is as follows:—

We will build in the Stephenville-St. George's area a new Vocational Training Shop and Trade School, in which equipment will be provided and instructors engaged for training young men in at least six different trades. This is known, in the technical language of vocational education, as a "six-unit shop and trade school."

At Corner Brook we will erect an eight-unit shop and Trade School, and equip it with all necessary machinery and apparatus, and engage the necessary instructors and teachers.

At Grand Falls we will erect a six-unit Shop and Trade School, similarly equipped and manned.

At Gander we will erect a five-unit Shop and Trade School, with all that goes with it.

At Bonavista Town we will erect a four-unit Shop and Trade School with equipment and instructors.

On the Burin Peninsula, (probably at Burin) we will erect a five-unit Shop and Trade School. This one, which will fit into a program of another character to be announced very shortly, will be known as a Regional Trade School.

At Foxtrap, in Conception Bay, we will erect a four-unit Shop and Trade School to operate in conjunction with the Regional High School already operating there.

At Bell Island we will erect a six-unit Shop and Trade School with all the paraphernalia and instructors.

In St. John's, which is the headquarters for vocational training in this Province, we will erect a second storey to the already existing Vocational Shop and Trade School. This is the new building which adjoins the present University buildings. The new concrete building erected two or three years ago is already overfilled and this second storey has become necessary. In addition to this enlargement, we intend to occupy the entire University buildings that already exist on the Parade Grounds as a vocational school in this part of the Province. That is to say, the St. John's vocational school, instead of occupying only the single concrete building which presently adjoins the University building, will occupy all of the University buildings on the present campus as soon as the new buildings are erected on the new

campus. It may seem, Mr. Speaker, that this will make an unnecessarily large vocational school in St. John's, but the fact of the matter is that it may turn out in a very few years to be too small. Over a thousand students were trained in our Vocational Training School in the past year.

Finally, under this heading of vocational education, our plan calls for the erection and equipping, here in the Capital City, of a one million dollar Technical Institute. This Technical Institute, which will be the only one of its kind in the Province, is intended to serve the entire Province. To it each year will come students from all of these Vocational Shops and Trade Schools in different parts of the Province, in much the same way that high school students come to the University. The Technical University will give classes in technical matters on a much higher level than is possible in the local Vocational Shops and Trade Schools. Our plan is to have this Vocational Institute completed and in operation by the end of the first period in our Vocational Education Program.

The total cost of erecting and equipping all these Vocational Shops and Trade Schools, and the Technical Institute, will be about \$3 million. Under the arrangement we signed with Ottawa more than five years ago, we are entitled to receive from Ottawa approximately half this total cost. We are further entitled to receive from Ottawa half of the yearly cost of operating all these schools and the Technical Institute. I feel, Mr. Speaker, that the building and operation of these schools throughout the Province will result, before many years are past, in the production of considerable numbers of young Newfoundlanders highly trained in some of the more important trades and technical skills of modern history.

Mr. Speaker, we may plan all we like, and spend all we like, on education, but we must never reckon without our host. Our host, in the field of education, is the teacher. For long years the teachers were a neglected, often despised, and certainly grossly underpaid servant of the people. We take some little pride in the fact that we have doubted, trippled and quadrupled the salary scales payable to our teachers, but we have never felt that they were paid enough. Beginning in the new school year we are going to pay our teachers three-quarters of



a million dollars more salary. This is quite apart from the ordinary yearly increase that a good many teachers receive, by raising themselves into higher grades. It is quite apart from the salaries that will be paid to new teachers that will be employed next year, over and above the number employed in the present calendar year. It is, in short, a needed increase in the rates of salaries. As our practice has been in the recent past, we will work out the details of these salary increases in consultation with the Newfoundland Teachers' Association, with whom, I am happy to say, our relations continue in the most friendly fashion. I do not for a moment wish to convey the impression, Mr. Speaker, that we regard this three-quarters of a million dollars as being anything more than a step along the way that leads to an adequate salary for the teaching profession; for although this new increase will probably bring the salary scales of the Newfoundland teachers up to the Canadian average, it must not be forgotten that the Canadian average always continues to rise steadily.

Mr. Speaker, I turn to the final section of this statement of Government policy in the field of education. When we took office nearly nine years ago, we found that the Government of Newfoundland had been, and were still, giving eleven different scholarships each year. This Government continued these scholarships, but increased their annual value. In addition to these eleven scholarships, the present Government brought in four new scholarships in honour of great educators of the past—Barnes, Blackall, Burke, Curtis—which have since been converted into eight. Following upon our introduction of these particular scholarships, we introduced seventy-two new scholarships, known as the Electoral Scholarships, two in each Electoral District of this Province. We then introduced one hundred scholarships in honour of the first one hundred years of Representative Government in Newfoundland. We have at the present time, therefore, a grand total of one hundred and ninety-one scholarships in this Province. Of these one hundred and ninety-one scholarships, eleven were already in existence in 1949, when Confederation came and this Government took office, and one hundred and eighty of them have been brought in since.

Well, Mr. Speaker, soon we shall reach our

tenth year as a Province of Canada, and my colleagues share heartily my feeling that we should do something very special to signalize that mighty landmark in our history. We have decided to create one thousand brand new, yearly, Confederation Bursaries. I know that there is no need for me to explain the difference between a scholarship and a bursary, for everybody knows that a scholarship is a prize that is given a student with the best marks in his examinations, or the best work in his school year, or something of that character; whereas, of course, a bursary is a cash payment made to assist a student to get into a higher class or to attend a different school, or to acquire some special training, or something of that order. There will be five hundred new scholarships, and there will be five hundred new bursaries.

Because the scholarships idea is more familiar in Newfoundland than is that of the bursary, I shall deal first with the five hundred Confederation Scholarships. One hundred and fifty of these, worth \$500 each, will be awarded to students in two-room schools, and the purpose of the scholarships is to enable them to go to bigger schools to get their higher grades. One hundred and fifty of them, worth \$500 each, will be awarded to students in three-room schools, and again these scholarships are to enable the students to get their higher grades in bigger schools. The remaining two hundred and fifty of these Confederation Scholarships, worth \$100 each, will be awarded to students in schools having more than three classrooms. In addition to these five hundred we are creating six special scholarships for students in Adult Education Schools. These are worth \$300 each, and are the scholarships that I announced recently at the Speech Day of the Adult Education Centre here in St. John's.

I turn now to the five hundred new Confederation Bursaries. We have one great and paramount purpose, Mr. Speaker, in creating these five hundred new bursaries, and that is to provide a means of enabling boys and girls in our one-room schools to get their grades ten and eleven in schools that are properly equipped to give these two grades. These bursaries are in three different values. Some of them will be worth \$500 each, some \$250 each, and the remainder \$125 each. They would enable students to

attend schools containing not less than six classrooms. In certain special cases, with the approval of the Superintendent concerned, they might be permitted to use their bursaries in a school having not more than four classrooms but, generally speaking, the plan is to have all students in one-room schools go to six-room schools or larger to get their grades ten and eleven. Where special circumstances existed, as for example, sickness in a family, the appropriate Superintendent could permit the children to remain in the one-room school and be helped by means of special correspondence courses to get their grade ten or grade eleven. These special correspondence courses are now being prepared.

Our ambition, Mr. Speaker, is to provide the means of taking all grade ten and grade eleven students there may be in Newfoundland out of one-room schools, because as things are today, it is next to impossible for the vast majority of children in one-room schools to get their higher grades; and without these special Confederation Bursaries, or something like them, these children would remain condemned to go through life without ever having got the advantage of high school education. Our hope is that within another two or three years there will be scarcely a student taking grades ten or eleven in a one-room school. The children in grades below ten and eleven will thus be given the advantage of receiving more attention from their teachers than they can possibly receive, while those teachers are trying to handle grades ten and eleven in their small schools.

With the addition of these one hundred great new Confederation Scholarships and Confederation Bursaries we will have a grand total of just under one thousand, two hundred altogether in Newfoundland. This compares with eleven scholarships nine years ago, and represents, I feel, a notable step forward in the cause of education. The cost of these new Confederation Scholarships and Confederation Bursaries will start at about \$250,000 a year, and run up to about \$350,000 a year within the next few years. We are already paying out over \$100,000 a year in our present scholarships, so that by the time this program is in full effect, we will be paying out close to \$500,000 a year in scholarships and bursaries in Newfoundland. This is equal to the

total amount of Government money spent on education a brief twenty-five years ago. I believe that we now have in Newfoundland one of the most comprehensive and generous systems of scholarships existing in any Canadian Province. I believe that it will go a long way toward helping to overtake the long and historic lack of educational opportunities and equality of opportunity that have kept our people back.

The total cost of this new Charter for educational progress in the next five years will run into something over \$20 million for the period. It will take a year or two to get the program in full swing, but in the first year, including capital account expenditure, we plan to spend about \$4 million authority for this expenditure will be sought when the Budget is brought down in May. Our additional expenditure for education in the coming year will thus be more \$17 million for the year, and a forecast that I recently made that education will soon be receiving \$20 million a year is already in sight of realization. I began this statement by saying that I had asked my colleague the Minister of Education, to prepare these proposals for me, and that I had brought them before my colleagues in the Cabinet for their approval. I close my statement today by paying high tribute to the Minister of Education for an inspiring program that will meet with universal approval amongst the people of this Province.

(Applause).

**Hon. M. M. Hollett** (Leader of the Opposition): Mr. Speaker, I would be lax in my duty and my sense of appreciation if I did not rise to say a word or two in congratulating the Hon. the Premier and the Hon. the Minister of Education, and indeed the Government on the vision which they have shown in this particular statement which has been read by the Hon. the Premier. I realize that it is going to cost quite a lot of money, and where that money is to come from is a matter which the Government has to decide. We know that we are backward in many things, one of which we know is education. I do hope that when these people in Ottawa who are responsible for considering the needs of Newfoundland as envisioned in Term 29, they will take into account the

statement of our present education facilities and thus help the Government to carry out this plan to the best of its ability.

I say the Government has shown great vision in this, much more vision that was shown perhaps a few years back when we started on the new industries. I want to say to the Government and to you, Mr. Speaker, and to our people here in Newfoundland that education is the great industry that we can spend money on, and therefore, I, with my colleagues, join in congratulating the Government on this statement here today.

#### Presenting Petitions:

**M. Whelan** (Hr. Main): Mr. Speaker, I beg leave to present a petition on behalf of the people of Conception Harbour. The petition prays that there be an extension of the Silver Spring Road. Silver Spring Road, Mr. Speaker, extends about two miles westward from Conception Harbour. The petition asks for a further extension of four miles in the same direction. In endorsing this petition, Mr. Speaker, may I say that the community of Conception Harbour, comprising about fifteen hundred people, would thereby have access to some valuable farming and blueberry land, and some good timber. The proposed road would also give access to fishing streams and lakes and be a valuable tourist attraction.

I give this petition, Mr. Speaker, my hearty support, and ask that it be laid on the table of the house and referred to the Department to which it relates.

**Hon. P. J. Lewis** (Minister without Portfolio): Mr. Speaker, I have great pleasure in supporting the prayer of this petition which has been brought forward by my colleague, and I trust that the future policy of the Government will see fulfilment of the prayer of this petition. The Trans-Canada Highway, when completed, will run about four miles from Conception Harbour, and it will be very necessary that an access road to that community be started.

I trust, Sir, the petition will bear fruit.

On motion, petition received for referral to the Department concerned.

**Hon. E. S. Spencer** (Minister of Finance): Mr. Speaker, I rise for the purpose of pres-

enting a petition on behalf of the hon. member for Bonavista South who has had to leave his seat for a few minutes. This petition comes from Cannings Cove in Bonavista South. It is the prayer of the petitioners that the undersigned residents of Canning's Cove and Musgravetown do hereby petition Her Majesty's Government to have a short diversion road built from the main road leading from Canning's Cove to the cove known as Long Toms Cove. That is one of our very beautiful names. We have some very picturesque names, Mr. Speaker, and by building roads into some of these places, perhaps we can bring them to the attention of the public.

This petition is largely signed by the people of the area, over 140 people, in fact. It says it by-passes enroute, and will be the means of eliminating two very dangerous cliffs which the people have to pass trying to get from one of these places to the other. In addition to that it will serve the purpose of enabling the public in a certain section with agricultural products, in moving these products from one section to the other, where they have no public wharf.

Mr. Speaker, I support the petition on behalf of my colleague, and in doing so I would like to add that I know something of the area because, during my period of office in the Department of Public Works, I made it my business to get around the island quite a lot; and in this particular place I had the opportunity of being moved from one section to the other by boat. Most of our Newfoundland people are quite familiar with that. I support the petition, ask it be laid on the table of the house and that it be referred to the Department to which it relates.

On motion, petition received for referral to the Department to which it relates.

#### Presenting Reports of Standing and Select Committees:

None.

#### Giving Notices of Motions:

None.

#### Giving Notices of Questions:

None.

**ANSWERS TO QUESTIONS:**

None.

**ORDERS OF THE DAY:**

Third Reading of a Bill, "An Act to Provide for a Tax on Land, Based on the Minerals Therein."

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

Third Reading of Bill, "An Act Further to Amend the Health and Public Welfare Act."

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

Third Reading of Bill, "An Act to Amend the Department of Municipal Affairs and Supply Act."

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

Third Reading of Bill, "An Act Further to Amend the Health and Public Welfare Act."

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

Third Reading of Bill, "An Act Further to Amend the Department of Municipal Affairs and Supply Act."

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

Third Reading of Bill, "An Act to Amend the Department of Public Works Act, 1957."

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

Third Reading of Bill, "An Act Further to Amend the Civil Service Act."

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

Third Reading of Bill, "An Act Further to Amend the District Courts Act."

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

Third Reading of Bill, "An Act to Amend the Fisheries Salt (Sales and Distribution) Act, 1957."

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

Third Reading of Bill, "An Act Further to

Amend the Undeveloped Minerals Area Act."

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

Third Reading of Bill, "An Act to Authorize the Lieutenant-Governor-in-Council to enter into an Agreement with Crown Zellerbach Corporation."

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

Third Reading of Bill, "An Act to Amend the Local Authorities Guarantee Act, 1957."

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

Third Reading of Bill, "An Act to Amend the Loan and Guarantee Act, 1957."

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

Third Reading of Bill, "An Act to Amend the Education (Teachers' Pensions) Act."

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

Third Reading of Bill, "An Act Respecting Mortier Bay Development Company Limited."

**MORTIER BAY:**

**Hon. L. R. Curtis** (Attorney General): Mr. Speaker, I would move that this Bill be re-

committed, with the unanimous consent of the house. It will be remembered that the

hon. member for Placentia West, said that there might be a clause put in this Bill saying

it would not come into force by proclamation, in view of the fact that the area might

be chosen as the site for Crown Zellerbach.

On motion, and with the unanimous consent of the house, Bill ordered referred to a

Committee of the Whole House presently.

Third Reading of a Bill, "An Act to Empower the St. John's Municipal Council to Raise a Loan for Municipal Purposes by the Issue of Bonds."

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

Third Reading of Bill, "An Act Further to Amend the City of St. John's Act."

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

Third Reading of Bill, "An Act to Provide for the Establishment of the Alcohol Education and Research Foundation."

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

**GASOLINE TAX ACT:**

Second Reading of Bill, "An Act Further to Amend the Gasoline Tax Act."

**Hon. E. S. Spencer** (Minister of Finance): Mr. Speaker, on second reading of this Bill, I propose making an attempt to briefly explain it, and I trust that the Clerk will see that the Bill is sent to the hon. members.

I would first point out, Mr. Speaker, in connection with the Bill to amend the Gasoline Tax Act, that last year this Bill was actually brought in and should really have been put into effect. The Treasury lost considerable funds which really should have been collected by way of a tax on fuel under which the definition of gasoline combinations is explained in this Bill. However, at that time, there were difficulties presenting themselves, and so the Government decided to defer the Bill for one year. After having given it very much thought indeed, we have now brought in a Bill amending it several times, I might say, within the last few weeks or few days, with a view to trying to get a Bill which would really serve the public of Newfoundland, and that would not bear too hard on certain factions of the public, and that would, at the same time, enable the Treasury to get its just returns from the consumers of fuel as explained and described under the term "gasoline." In the meantime, Mr. Speaker, it is aimed at collecting a tax on diesel fuel, although this is called the "Gasoline Tax Act."

People on receiving the Bill, will find that gasoline means any liquid, by whatever name known or sold, which is produced, derived or recovered from petroleum, natural gas, shale or coal, or any combination of liquids which are so produced, derived or recovered. The house will recall that we are developing very extensively by way of motor traffic in this Province—True we have a very long way to go—but many indeed are the diesel burning units now using the highways. In almost every case the house will recall, they are of the heavier type unit, and in consequence they are a greater burden on the roads, and are doing very considerable damage, and the owners are getting away, up to now, and justly so for introduction purposes, they have not had to pay any taxes.

Now, for the information of the House, we

would like to point out that, before we bought this Bill into effect, we went across the nation to determine just what was happening in Canada as a whole. The Government of this Province were not anxious to try and apply a new tax (which had not been in effect) without determining whether or not a similar tax was in effect throughout Canada.

I have here with me, Mr. Speaker, a list of every Province—Prince Edward Island, New Brunswick, Quebec, Alberta, British Columbia, Manitoba, Saskatchewan, Nova Scotia, and Toronto. In these nine Provinces, we find that the tax on diesel fuel has been placed in identically the same figures as on gasoline; and we have checked that as well with the oil companies. We find people using a diesel burning unit such as a truck obtain approximately six-tenths more mileage per gallon of diesel fuel than if they used gasoline. In other words, a gallon of gasoline produces a certain mileage, and a gallon of gasoline produce one mille, a gallon of diesel fuel used in a diesel engine will produce one point six miles. That is the actual figure we have been given by the oil companies. I will mention one Province in particular, Mr. Speaker, because it is only in one Province they have taken advantage of this by placing a larger tax, a greater tax, upon diesel fuel than upon gasoline. I refer to the great Province of Ontario, no doubt the largest Province in the nation. There the gasoline tax is thirteen cents, and for diesel fuel the tax is twenty cents per gallon. In other Provinces, Mr. Speaker, the tax is similar. I have taken a little time to explain this because I feel that the house generally should know, and it may very well be that had I not done so, the house might get the impression we were trying to put in a much heavier tax on diesel fuel than we should. Now, I would like to say briefly that there has been no end of requests for exemptions in certain cases under this Act. It is an amendment, as the House will notice, to the Gasoline Tax Act, Chapter 38 of the Revised Statutes of Newfoundland, 1952. In that original Act, fishing boats are exempt, small mill owners are exempt, and we have taken care to have it written into this Act that by no manner of means will small mill owners be taxed, and the burden made heavier for them to maintain their businesses. The number of saw mills are lessening

year after year, so they have been exempted. We have exempted as well people living in sections of the Island where electricity is not obtainable from one of the public utility companies. There are a few people whose premises have been lighted by means of a small diesel unit. We feel that these people are handicapped enough to have to provide a unit of their own. So there is no intention of taxing them for these diesel fuel units for lighting or household equipment.

I think, Mr. Speaker, that these exemptions will be generally accepted as being well worth while. We spent considerable time in endeavouring to get a clause that would exempt fuel used in operating a household, and that clause is now in under Section 3 (e). If a plant were large enough to generate electricity for sale, it would automatically come under the tax.

Mr. Speaker, I don't think I need go any further. Oh yes, I am reminded by the Hon. the Attorney General that we had a discussion on this Bill even as late as last evening and even as late as this morning; and the recommendation is that we will put in a clause to protect and exempt the many small boats which are operating around the coast as passenger boats. It was felt that these were having their difficulties; and in as much as the Government have recently brought into effect a bonus scheme, or is about to bring into effect provisions for a bonus scheme, for repairs to vessels and of course the encouragement of coastal vessels, they felt the same thing should apply in protecting these owners of small passenger boats which are providing a much needed service to our people. In Committee stage, Mr. Speaker, I propose moving an amendment to bring in this particular clause. Mr. Speaker, I move second reading, and trust that this Bill will be distributed without too much loss of time.

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

The Hon. the Minister asks leave to move the House into Committee of the Whole to consider Resolutions in relation to the raising of a loan on the Credit of the Province.

On motion, Mr. Speaker, left the Chair.

Mr. Clarke, Chairman of Committee of the Whole.

**Hon. E. S. Spencer** (Minister of Finance):

Mr. Chairman, in connection with this loan and the amount stipulated here, I would like to say at this moment it is very difficult for the Treasury to determine whether or not, or to what amount, we would likely have to go this year to finance our capital account expenditure. As a result of that, this loan Bill is brought merely to enable the Government to raise a loan, should the necessity arise. Of course, as I previously said, as far as the condition of the market is concerned, the house will be aware that we still have available, out of the authority granted to us last year and the year before, out of the total \$17 million, we still have the authority of the House to raise \$4 million. We did not attempt to raise that amount of money during the past Autumn nor during this Winter, because it was fairly obvious the money market conditions were not right and so we refrained from doing so. It could very well be, if we have to embark on a policy we have hoped to embark upon in capital expenditure this year, and the demands that have been presented to us from the various Departments—(the Committee will understand what I mean in that connection not presented in Government but in Finance) the demands of the Departments are such that, while we do not know what the results of the revision of the Terms of Union may be, with regard to the upward revision anticipated on the basis of the Royal Commission's Report, which we are unable at this moment to anticipate although we may have a fair idea—so that this authority is sought merely as an enabling measure, to raise a loan, or at least get authority to raise a loan, this amount has been put in merely as a hypothetical amount. Nobody knows just what we may need. As far as we are concerned at the moment in Finance, we do not know whether we have to enter the market at all.

While I am on my feet in this connection, Mr. Chairman, I would like to say that, within a half hour prior to my coming to the house this afternoon, I was in contact with our financial advisers in Montreal and they advised me that the Bond Market again is not in a very happy condition right now. I understand that bonds which have been recently put on the market by very great international concerns are actually going very slowly on the market today. We in Newfoundland are very fortunate, in as much as

the last bond issue out is selling today, and still maintains the price, as a premium. That looks good and angers well for Newfoundland. We are proud, of course, that our bonds are selling at such high prices in the market today, and we trust that will continue. But our financial advisers today say that, if at this moment we were asking to go on the market, they would be inclined to advise us to refrain from doing so, at this particular stage.

Some discussion took place on a similar matter yesterday or the day before in this house, and on that occasion I pointed out that there is a fluctuating condition in the market generally, with some improvement in the last three or four months. But it still fluctuates, and fluctuates rapidly sometimes. In a matter of ten days, the situation may have so changed as to make it quite a good opportunity for us to enter the market. In this case we have no intention to enter. I thought I should make this brief explanation there, Mr. Chairman, as some hon. members might wonder why we place the sum at \$10 millions. I might say that, as I came in here and read it, this was the first time I saw the figure of \$10 million.

**Mr. Hollett:** Mr. Chairman, I feel it is my duty to rise on this measure, because as a rule no Government looks for a loan unless it informs the house just what they want the money for. Now the Hon. Minister of Finance says he does not know just what they are going to need, or whether they are going to need it or not. I can quite well agree with him on that, because no estimates have been brought down to indicate whether the Government is going to spend any money this year. Consequently he can not very well tell the house just what he wants with the money, or with the amount of \$10 million. Now he said it was only a sort of (I forget the exact words used now) "enabling" legislation. I should think any legislation of this kind is enabling. But we have to remember, Sir, we are a small Province of about four hundred and fifty thousand people. We have to remember as far back as only 1952 we had practically no National Debt whatsoever.

**Premier Smallwood:** We did not have much of anything else either.

**Mr. Hollett:** We have not a "heck" of a lot of anything else at the present time, with all the unemployment.

**Mr. Smallwood:** There is a reason for that.

**Mr. Hollett:** We have borrowed \$51 million since 1952—and I would like to point out, Sir, all these loans are costing the people of this country money which is actually thrown down the drain. To raise that \$51 million we actually threw down the drain \$1.4 million—we lost by the discount—in other words we got 97, and in 1952 we got 96 and so on, so on. But we have to pay back \$100 by and by. But it cost \$1,347,000 to raise that money, in addition of course, to paying interest of anywhere from four and a half to five and a half per cent.

There is another thing I would like to point out, Sir. The first \$38 million, and the last \$13 million we have borrowed have cost us \$619,000, owing to the unfavourable state of the money market. As the Hon. Minister of Finance just pointed out, that is in a deplorable state now, as far as raising loans are concerned. As I have pointed out, the Minister has given us no idea what he wants the \$10 million for, no idea why he wants \$10 million I do not know—he may want to buy a yacht or something.

**Mr. Spencer:** If the honourable member will allow me for one moment—I do not like to interrupt, but I do not wish to have the word "deplorable" attributed to me and entered in the records. I do not agree with the term. I did say the market, at this particular time, is not the best stage for us to enter.

**Mr. Hollett:** I hope I did not insinuate the Minister used the word "deplorable", I used it, and I used it advisedly—I was referring to this yesterday, and I want to refer to it again to show how careful we ought to be.—In addition to raising money by bond issue on the vote of this house, we have given authority for the municipalities, the town councils, to borrow money—I referred yesterday to the fact that in October 1957 the City of St. John's borrowed \$1.5 million. It was issued on October 1st. 1957 and sold at eighty-eight dollars. It was ninety dollars and then there was two per cent discount to the brokers—that would be two per cent at any rate. Now, it was pointed

out to me yesterday that the reason for that small amount was the fact that the Governor had asked the Council to delay. But I find that on exactly the same date, October 1st, 1957, the Government sold their bonds at ninety-nine dollars and fifty cents—in other words ninety-nine dollars and fifty cents plus the two per cent to the brokers on the same date, October 1st., 1957.

**Mr. Spencer:** Give us credit for good business there.

**Mr. Hollett:** Mr. Chairman, that was a very good business deal, but on the same date the City of St. John's sold theirs for ninety per cent plus two per cent—That is the connection in which I used the word "deplorable."

**Premier Smallwood:** If the hon. member would allow me—it does not follow that, because both are dated the same day, they were both raised the same date. The date of the bond has no necessary relationship to the date on which it is actually arranged to be sold. So that the fact that the Newfoundland Bond and the City of St. John's Bond are the same date is not by any means evidence that they were sold at the same time, or that the sale of both were arranged at the same time. There might be three months in the difference but they might be dated the same.

**Mr. Hollett:** I quite realize that, by the ordinary person who picks up the "Financial Times" does not know the difference.

**Mr. Smallwood:** That is so, yes.

**Mr. Hollett:** I accept the Hon. the Premier's statement on that. I know it is true. But it is listed here on the same date, and consequently the ordinary citizen who picks up the paper and looks at what is there—Here is trouble as I see it—go down through that list, two and half pages of bond sales, by the Federal Government, the Provincial Government and by various cities across Canada and you will not find any city in Canada which had to sell its bonds at the deplorable rate which the city of St. John's sold them for. Now, what the trouble is I do not know, but I am quite sure the Government have got to find out have got to know. In that very same month, if you look at all the cities

across Canada which sold their bonds, you will see they sold for ninety-six at the lowest, yet here, when we come to St. John's, we find eighty-eight. That is what is listed there—eighty-eight. The Hon. Minister said it was ninety; but as far as the public is concerned it is eighty-eight. Anything that hinges upon the credit of St. John's reflects, in my opinion, upon the credit of this Province. That is why I bring it up. Therefore, I say, if the Minister of Finance is not able to tell us just why he wants that \$10 million, then I say it is not expedient, as this Resolution says, to bring in a measure to authorize the raising of a loan \$10 million.

If the Minister, as I say, cannot tell what the \$10 million is to be laid out for, in other words—so much for schools, so much this and so much that and so much for something else—but here we do not know what it is for. The Hon. Minister says it is "expedient"—I say it is not the Hon. Minister cannot tell us where he sees any expediency. If he wants the authority, I think we ought, as the House of Assembly, to take exception to giving the Government carte blanche to go out and raise a loan, a bond issue, whenever they want to. The Hon. Minister has already pointed out he has authority to raise \$4 million. I think, if the Hon. Minister of the Government wanted something over \$4 million, they should call the house together and tell what they want it for, and get the authority. I speak now as a member of the House of Assembly and not a member of the Opposition at all. That is my opinion, and I feel it my duty to express that opinion. I do know the business of the country has to be carried on, and there are certain expenditures—if this very fine statement made by the Hon. the Premier today indicates anything—we have to spend a lot of money on education. I know we have to spend it—and we are going to need money, but at least not yet. I feel I ought to say these things, Mr. Chairman, in order to clarify the picture at the present time. We owe a national debt of \$54.5 million, and \$51 millions of that has been borrowed since 1952, when we raised our first \$10 million loan.

**Mr. Smallwood:** Are not these figures gross?

**Mr. Hollett:** These are the gross figures, yet.



**Mr. Smallwood:** What is the net?

**Mr. Hollett:** I have the figures here—Total accumulated, \$5,567,000. In 1949 we had to pay nothing, and in answer to a question asked here, we find that we have to pay \$2,261,260. So we ought to be very careful in giving the Government authority to raise \$10 million, without stating to this house just what it is for.

**A. M. Duffy (St. John's East):** Mr. Chairman, I just want to make a brief comment:—The Minister said this is "enabling" legislation. I presume, therefore, they may or may not avail of the authority to borrow. On the other hand they may borrow—I think I am right in assuming that if the house is closing for just two short months, that this provision is not necessary. If that is right, and I am correct in assuming it is just two short months that provision has to be made for—I do not mean to spend the money but to make provisions—it seems to me it would not be unreasonable for the Opposition to expect some of the details to be given. The Minister said it was "hypothetical" amount. Well, if it is a hypothetical amount to prepare for, but not to spend the money, it does not seem too reasonable to me to accept that statement. Furthermore, the Minister did say that, up to the time he entered the house, he had not even seen the amount of the figure.

**Mr. Spencer:** I did not know the exact figure.

**Mr. Duffy:** For these reasons, it does not seem to me to be reasonable to expect the house to be ready to pass this without comment. Furthermore, the national debt is now somewhere in the neighbourhood of \$50 million, and if the Government is now given the right to borrow, it will add another twenty per cent to this direct debt, which is a substantial amount of money. Furthermore, I think we can be reasonably sure that, whilst the bond market may improve slightly, it is quite apparent it certainly won't be anything like normal for the next few months. It will improve slightly after March 31st. when the present Government returns to power—It seems to me, Mr. Chairman, there should be some break-down, some rough details as to what this loan might be used for.

**Hon. L. R. Curtis (Attorney General):** Mr. Chairman, of course I see this position—We have a commission sitting to consider Term 29. That commission may or may not recommend \$10 million a year, or it may recommend more, but it may take some time to implement that report. We feel, therefore, on this side of the house, that it is wide to have enabling legislation. I do not expect it to be used—personally I do not expect it to be used. On the other hand I do not want to be back here just for the purpose of passing this. Hon. members know that in the financial market these things are handled quietly and without publicity, and when the enabling legislation is there, and can be used as when it is deemed convenient.

Now, a lot might be said in favour of having a permanent loan bill on the Statute Books. In other words, rather than come to the Legislature every year for approval. The Federal Government does not pass a loan Bill every year. They have a loan Bill, and every year they borrow money on it without any legislation at all.

I do not think it would be wise for us to do that. At the same time, we have had experience on this side of the house, during the past nine years, on several occasions where it cost the Province a lot of money by reason of our having to come to the Legislature to get authority to raise a loan. There were occasions when, if we had the authority when money was easy to get, cheap money, it might have been available if we had been ready to pick it up. So I really do not see any objection, Mr. Chairman. I think my hon. friends can feel quite sure those of us on this side of the house are no more anxious to get in debt than they are on the other side. But it is a good thing for the Government to be untrammelled in its negotiations with financial houses during times such as the present, when no one knows exactly what the proposition is going to be.

On motion, Resolution carried.

On motion, Mr. Speaker resumed the Chair.

**Mr. Clarke:** Mr. Speaker, the Committee of the Whole considered the matter to them referred, passed certain Resolutions and recommend that a Bill be introduced to give effect to same.

On motion, report received.

On motion, Resolutions read a first and second time.

On motion a Bill, "An Act to Authorize the Raising of a Sum of Money By Way of Loan on the Credit of the Province," read a first time.

On motion, Bill read a second time.

**Mr. Hollett:** Mr. Speaker, I wonder if the Hon. Minister could inform the house, or give some idea as to what the \$million is to be spent for.

**Mr. Spencer:** Mr. Speaker, as I pointed out in the Resolution Stage, we do not know exactly—but the Bill, in fact, lays down that the purpose is for the reimbursing the Consolidated Revenue Funds for expenditures made and to be made.

**Mr. Hollett:** On current account of capital?

**Mr. Smallwood:** It is all capital account.

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

On motion that the House go into Committee of the Whole on Items 13, 17 and 19, Mr. Speaker left the Chair.

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

Committee of the Whole on Bill, "An Act Respecting Mortier Bay Development Company Limited."

**Mr. Curtis:** Mr. Chairman, there are one or two little amendments there which were not picked up when the Bill was being read. On page two of the Bill it refers to subsection 4 in two places. That should be sub-section 3 instead of subsection 4. That is in Clause 2 and 3.

On motion, clauses as amended carried.

**Mr. Curtis:** I would move a new clause, Mr. Chairman, at the end of the Bill—"This Act shall come into force on a day to be fixed by proclamation of the Lieutenant-Governor-in-Council.

On motion, Clause 8 carried.

Motion, that the Committee report having passed this Bill with some amendment, carried.

Committee of the Whole on Bill, "An Act Further to Amend the Judicature Act."

**Mr. Curtis:** I move that Section 2 of this Bill

be deleted altogether, and that section 3 be now called Section 2, and that the following changes be made in the wording:—"Section 98 of the Judicature Act, Chapter 114 of the Revised Statutes of Newfoundland, 1952, is repealed and the following substituted therefore."

On motion, Clause 2 deleted.

On motion, Clause 2 as amended carried.

Motion, that the Committee report having passed this Bill with some amendment, carried.

Committee of the Whole on Bill, "An Act Further to Amend the Gasoline Tax Act."

**Mr. Curtis:** I move the following amendment, Mr. Chairman, on Clause 3—I move that the words "vessels or boats" be stricken out. Then in (g) strike out the words "other than those referred to in paragraph (c) as we have already stricken them out in paragraph (c) "engaged in carrying goods and materials of any description to or from ports in Newfoundland," and then add the words "or passengers between ports in Newfoundland." Then, in case this should go a little too far, we should add "except the Canadian National Railway Boats" or something like that. Or—"but this paragraph does not apply to such vessels or boats exempted from its operation by the Lieutenant-Governor-in-Council." That is a catch-all clause, in case we find we have been generous in that. At the moment, all passengers boats are exempted.

**Mr. Curtis:** Yes, under the old Act.

On motion, Clause 3, as amended, carried.

On motion, Clause 4 carried.

Motion, that the Committee rise and report having passed this Bill with some amendment carried.

Mr. Speaker resumed the Chair.

**Mr. Clarke:** Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have instructed me to report having passed Bills number 44, 36, and 42 with some amendments.

On motion, report received, Bills ordered read a third time, now by leave of the House.

Third Reading of Bill, "An Act Respecting Mortier Bay Development Company, Limited."

On motion, Bill read a third time, ordered

passed and title to be as on the Order Paper. Third Reading of Bill, "An Act Further to Amend the Judicature Act."

On motion, Bill read a third time, ordered passed and title to be as on the Order Paper. Third Reading of Bill, "An Act Further to Amend the Gasoline Tax Act."

On motion, Bill read a third time, ordered passed and title to be as on the Order Paper. Second Reading of Bill, "An Act to Amend the Unimproved Lands (Redistribution) Act, 1957."

**Mr. Curtis:** I intimated, Mr. Speaker, this was going to be discharged. I move now that this item be discharged, with the unanimous consent of the House.

On motion, and with the unanimous consent of the house, Bill Number 39 discharged.

**Premier Smallwood:** Mr. Speaker, it seems now that the Orders of the Day are completed and that no further business awaits us at the present part of the session, beyond the Royal Assent to the Bills that we have passed. His Honour the Lieutenant-Governor is willing to come the moment it suits the convenience of the House. So, I suggest that we have a recess for ten minutes and immediately upon taking the recess convey word to his Honour, the Lieutenant-Governor and ask him if he would be pleased to come here fifteen minutes from now. That means we ought to be back in our places and observing proper decorum when the Queen's Representative arrives. If it is agreeable to the house, I suggest a recess of exactly ten minutes.

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

**Sergeant-at-Arms:** Mr. Speaker, I have the honour to inform the house that His Honour, the Lieutenant-Governor has arrived.

**Mr. Speaker:** You will admit His Honour the Lieutenant-Governor.

Mr. Speaker left the Chair.

His Honour the Lieutenant-Governor in the Chair.

**Mr. Speaker:** It is my agreeable duty on behalf of Her Majesty's dutiful and loyal subjects, her faithful commoners in New-

foundland, to present to Your Honour a Bill for the Appropriation of Supply granted in the present session; A Bill, "An Act For Granting to Her Majesty Certain Sums of Money for Defraying Certain Expenses of the Public Service for the Financial Year Ending the Thirty-First Day of March, One Thousand Nine Hundred and Fifty-Eight and for Other Purposes Relating to the Public Services."

**His Honour the Lieutenant-Governor:** In Her Majesty's Name I thank you for your benevolence and I assent to this Bill.

**Mr. Speaker:** May it please Your Honour, the General Assembly of the Province has at its present session passed certain Bills to which, in the name and on behalf of the General Assembly I respectfully request Your Honour's Assent:—A Bill, "An Act to Amend the Revenue and Audit Act."

A Bill, "An Act Further to Amend the Act 5 Edward VII, Chapter 10 entitled, "An Act to Encourage the Manufacture of Pulp and Paper in this Colony."

A Bill, "An Act Further to Amend the St. John's Shops Act."

A Bill, "An Act to Provide for Tax on Land Based on the Minerals Therein."

A Bill, "An Act to Incorporate the City of Corner Brook and for Other Purposes in Connection Therewith."

A Bill, "An Act Respecting the Payment of Bounties on the Rebuilding and Repairing of Fishing and Coastal Vessels."

A Bill, "An Act Further to Amend the Local Government Act, 1956."

A Bill, "An Act Further to Amend the Department of Highways Act, 1957."

A Bill, "An Act To Further Amend the Highway Traffic Act, 1957."

A Bill, "An Act to Authorize the Lieutenant-Governor-in-Council to Enter Into An Agreement with Crown Zellerbach Corporation.

A Bill, "An Act Further to Amend the Health and Public Welfare Act."

A Bill, "An Act to Amend the Department of Municipal Affairs and Supply Act."

A Bill, "An Act to Amend the Department of Public Works Act, 1957."

A Bill, "An Act Further to Amend the Civil Service Act."

A Bill, "An Act Further to Amend the District Court Act."

A Bill, "An Act to Amend the Judicature Act."

A Bill, "An Act to Amend the Loan and Guarantee Act, 1957."

A Bill, "An Act to Amend the Local Authorities Guarantee Act, 1957."

A Bill, "An Act to Amend the Fisheries Salt Sale and Distribution Act, 1957."

A Bill, "An Act Further to Amend the Undeveloped Mineral Areas Act."

A Bill, "An Act Further to Amend the Gasoline Tax Act."

A Bill, "An Act Further to Amend the Education (Teachers' Pension) Act."

A Bill, "An Act Respecting Mortier Bay Development Company Limited."

A Bill, "An Act to Empower the St. John's Municipal Council to Raise a Loan for Municipal Purposes by the Issue of Bonds."

A Bill, "An Act Further to Amend the City of St. John's Act."

A Bill, "An Act to Provide for the Establishment of the Alcohol Education Research Foundation."

A Bill, "An Act to Authorize the Raising of a Sum of Money by Way of Loans on the Credit of the Province."

**His Honour The Lieutenant-Governor:** In Her Majesty's Name I assent to these Bills. His Honour left the Chair.

Mr. Speaker resumed the Chair.

**Mr. Speaker:** I have the honour to inform the house that at 5:20 p.m. His Honour the Lieutenant-Governor visited the house and gave the Royal Assent to certain Bills passed during this session.

**Premier Smallwood:** Mr. Speaker, I move that the house at its rising do adjourn until tomorrow, Monday, May 12, unless in the meantime matters of grave urgency should arise, in which case Your Honour would be informed, and Your Honour might then be pleased to call the house sooner, after due and proper notice, under the law.

**Mr. Speaker:** It is moved and seconded that this house at its rising do adjourn until tomorrow, Monday, May 12th. unless it should be necessary for the house to be summoned, in which case hon. members will be summoned at the Call of the Chair, under due process of law.

This house stands adjourned until tomorrow, Monday, May 12th. next or, if necessary, at the Call of the Chair.

Hansard August 27, 1958 (Afternoon Session)

The house met at three o'clock.

Mr. Speaker in the Chair.

**Hon. J. R. Smallwood:** (Premier): Mr. Speaker, later in the proceedings today, notice will be given of a Resolution leading up to the introduction of a Bill in connection with the new Confederation Building. I thought it would assist my hon. friend, the Leader of the Opposition, and through him his supporters in this house, if I were now to table certain documents which throw light on this whole subject that is to be debated. The first, Mr. Speaker, is a copy of the actual offer made to the Government by J. F. Whitney Limited, of Kitchener, Ontario. The second is a letter addressed to me by Central Mortgage and Housing Corporation of Ottawa, in reply to a letter I sent them asking their opinion on the proposals made to the Government by the Whitney Organization. The third is a letter to me from the Government's financial advisers, Peat, Marwick, Mitchell & Company, Chartered Accountants of Montreal, giving their opinion of the Whitney proposals. The fourth is a letter to me from J.C. Payne & Lawson & Bates, Associate Architects of Montreal, giving their opinion of the Whitney proposals. These opinions are careful analysis made by those concerns for the Government of Newfoundland. Finally, a bound copy of the report made to the Government by the Whitney Organization, on the actual physical needs of the various Departments of the Government for space, office space. This report is a most carefully detailed documented analysis of the physical needs of each of the Departments of Government, in great and showing what the Government now needs, at this moment, to house its Departments, and is likely to need,

with the ordinary growth of the public services, in the years to come. I have pleasure in tabling these reports for the hon. Leader of the Opposition and his colleagues in the house.

### Presenting Petitions:

**W. Smallwood:** (Member for Green Bay): Mr. Speaker, I beg leave to table a petition from the people of Mansfield Point. Mr. Speaker, the prayer of the petition is that a right-of-way be constructed from the present right-of-way leading from Kings Point to Jacksons Cove. This right-of-way, Mr. Speaker, is a distance of approximately two miles. I might say, Mr. Speaker, that the settlement of Mansfield Point is on the South Side of Green Bay, not in the District of Green Bay itself but in the actual Green Bay. The people of Mansfield Point have to walk a distance of approximately two miles through the woods to get on to the present right-of-way; and when this is impossible they have to go by boat. Mr. Speaker, I strongly support the prayer of the petitioners, and I urge that this petition be received by the house and referred to the Department to which it relates. On motion, petition received for referral to the Department to which it relates.

**G. Nightingale:** (St. John's North): Mr. Speaker, I have the honour to present a petition concerning a road from Portugal Cove, in the District of St. John's North, a settlement — as you may call it — which is gradually growing. I may say, Mr. Speaker, this road built three years ago, or started three years ago, was left in a very deplorable condition; and people cannot paint their houses. It has been oiled twice, I admit, but it is in terrible condition for any automobile to travel over after just leaving a beautiful such as the Portugal Cove Road. These people want the road paved as soon as possible. The hon. Minister of Public Works has promised me verbally that it will be paved.

**Premier Smallwood:** You had better get the promise from the hon. Minister of Highways, (Mr. Power).

**Mr. Nightingale:** I meant that the Minister of Highways promised me verbally. Now I present this, Mr. Speaker, with the backing

of over a hundred people who want this road finished. I am sure the member for Bell Island (Mr. O'Driscoll) could bring another five thousand who have to travel over that same road when they leave the ferry. It is a very good Liberal District from start to finish, and we want to keep it such. While I am still in Portugal Cove (next week I may be in St. Phillips) at the same time, — when constructing this beautiful road and blasting through this vast amount of rock — there was a public well which supplied the families in Portugal Cove. Somehow or other, oil got in the well and it has never been taken out. Letters have been written to the Department without any reply. I want to know why these people, fourteen families, are deprived of fresh water.

**Mr. Speaker;** Order! Has the hon. member another petition?

**Mr. Nightingale:** This is the last one, Sir.

**Mr. Speaker:** This is a second petition?

**Mr. Nightingale:** Include both in one petition, if you like. It is the same people. I might say, the well supplies water for fourteen families, and the river running through is subject to septic tank affluent and cannot be used to supply water. Therefore these people must have drinking water. What are they going to do when winter comes? I say it is a deplorable condition for people so close to St. John's, Sir, I lay both these petitions as one, on the table, pavement of the road and a new well for the people of Portugal Cove. Thank you. On motion, petition received for referral to the Department to which it relates.

**Hon. M. M. Hollett:** (Leader of the Opposition): Mr. Speaker, I rise to present a petition, which is an unusual petition in many ways. I have a feeling the petition should have been presented from the opposite side of the House. One of these petitions has to do with references which were made — if I may dally just one second —

**Mr. Speaker:** The Hon. Leader of the Opposition knows he cannot make a speech.

**Mr. Hollett:** That is what I thought. I did not intend a speech, Sir, just a few words.

This petition arose out of a promise made some years ago, 1949, that "Win, Lose or Draw" we are going to put a bridge across Placentia Gut. Now, this petition, Sir, the gentleman who has just spoken referred to one hundred names, this petition happens to be signed by two thousand five hundred and ninety-two names. Most of these names are from Placentia East. This is the prayer of the petition. "Hon. members of the House of Assembly in Session assembled — The petition of the undersigned humbly shows as follows: We, the petitioners, are all residents and voters in that part of the District of Placentia East which include the settlements of Cape Shore, Point Verde, Placentia, Jerseyside, Freshwater, Dunville, Fox Harbour, South East; and your petitioners petition the Government to give earnest consideration to the building of a bridge across the Main Gut of Placentia. That such a bridge built across the Main Gut, which is only two hundred feet wide, would certainly serve the interest of all petitioners more than any other public works which would be undertaken for this area, for the following reasons: — The residents of Jerseyside, Freshwater, Dunville, Fox Harbour and Ship Harbour would be assured of easy access to the hospital at Placentia at all times during the day and night, particularly during the Fall and Winter months when weather conditions are often such as to prevent the ferry operating. At such times, access to the hospital can only be obtained by a twenty-four mile drive around North East Arm by road — which is well nigh impossible when there is snow on the said road: Such a bridge as your petitioners ask for would make it possible for all people, both men and women who work at the Naval Base, Argentia, to get to their jobs at all times: and this bridge would make it possible for school children to come by bus to the Regional High School on the Townside, Placentia, particularly the children of Dunville and Jerseyside: Another advantage of such a bridge is that residents of Placentia, South East, Point Verde and Cape Shore would be able to proceed to the Canadian National Railway Station at Jerseyside for freight. This would cut out the expense of the long truck haul around North East Arm; and thus tend to lessen the cost of living to the area: Such a bridge would also be more convenient for

those people visiting to get to the Canadian National Terminus at Argentia: Such a bridge would tend to increase the local tourist traffic from St. John's and other centres. Your petitioners, therefore, beg this hon. house to immediately take such measures as the House may think expedient for the construction of a suitable bridge across the narrow strip of water, and thus afford great convenience to all people in the area." That prayer of the petition, Mr. Speaker, is signed by two thousand one hundred and thirty-two people from Placentia East. Accompanying that, is this other petition with a total of four hundred and sixty-six names, from the District of Placentia West, making a total of two thousand five hundred and ninety-two signatures to these petitions. The petition, Sir, as I pointed out, from Placentia comes from Placentia, Cape Shore, Fox Harbour, Freshwater, Point Verde, Dunville, South East, Jerseyside; and from Placentia West, there are petitions from four hundred and sixty people from Bell Island, Merasheen, Great Paradise, Southeast Bight, Presque, St. Leonards, Clattice Harbour, St. Anne's, and Isle au Valen. Mr. Speaker, I do not intend to delay the business of the House to any great extent.

**Mr. Speaker:** The hon. member has one minute left.

**Mr. Hollett:** One minute — Might I say, Sir, it is one of the greatest honours to come to this side of the house, in that members on the opposite side of the house refused to accept the petition and present it to this hon. house of Assembly. We therefore, Sir, have recourse today, as all members should do, to present petitions when duly prepared, duly signed and presented to this hon. house. This house, Sir, is the House of Assembly. It is not the Liberal Party. This is the House of Assembly and we are entitled to, and definitely bound to, present petitions when presented. I do hope that hon. members on the opposite side of the house will take note of this petition, which indeed has a wonderful prayer, and one which, if it could be answered, would assist a lot of people. All these people are voters in the District of Placentia East and Placentia West. Thank you very much, Mr. Speaker. I beg leave to lay this petition on the table of the house.

**Mr. Speaker:** The hon. member is rising to support this petition. Is the hon. member rising for another reason or to speak on this petition?

**Mr. C. M. Lane:** (White Bay North): No.

**Mr. Speaker:** Did the hon. member rise to speak on this petition which is before the house now?

**Mr. Lane:** I was interested in the petition, Mr. Speaker, when it came up before the house. I am sure we would all like to see as much done as possible for the various areas. I was thinking, as the hon. Leader of the Opposition spoke, of the immense cost of some of these projects being petitioned for, and of the fact that in the District which I have the honour to represent, so much is needed for so many, at so little cost. I was just wondering if at this time, when we are thinking along these lines, and have to cut the cloth according to the garment, or the garment with regard to the cloth, how much support we could expect for some of these petitions. I have travelled quite a bit this year and have seen certain things going on in certain areas. I must say I would certainly like to see, first of all, something done for areas where there is less opportunity of connections, especially if there are funds available.

**J. D. Higgins:** (St. John's East): Mr. Speaker, I rise to support this petition and the remark of the hon. member for White Bay North.

**Mr. Speaker:** Order. I think the hon. member understands a petition should not precipitate a debate. Any hon. member speaking to a petition does so in support of the petition.

**Mr. Higgins:** I do support the petition, Mr. Speaker, for the reasons advanced by my hon. friend. It is not too often we, on this side, have the opportunity to present and support a petition from areas outside the great Metropolitan Area. I think the petition as set up by the petitioners is sound. I do hope that the Department primarily concerned will give it the attention I am sure it merits.

**A. M. Duffy:** (St. John's Centre): Mr. Speaker, I too would like to support the petition presented by the hon. Leader of the Opposition. I have just this comment to make: — I listened to the presentation of this petition. I understand there was an attempt made to present this to the Liberal Government of the appropriate Minister and it was refused. I understand that the petitioners were not received. If that was so, I think such action should be condemned in the strongest terms. I think such behaviour has no place in a democracy, and I think it is most reprehensible, and I think that the Government or the Minister responsible, if it is so, should be condemned in the strongest terms.

**Hon. G. J. Power:** (Minister of Highways): Mr. Speaker, I support this petition because it is for an improvement in the District I represent. I do not know if it is possible, and I do not think it is, for the Government to find the funds necessary to do it now, or in the future. But, it may not be necessary for the Provincial Government to do this, because, at a public meeting in Placentia during the last federal election, one of the members of this bridge committee announced that Mr. Browne, (the Hon. W. J. Browne) had promised to build the bridge. I am sure if the Hon. Mr. Browne promised the people in Placentia to bridge the "Gut," it would be necessary for the Provincial Government to spend any money in that respect. I know Mr. Browne is a man who will keep his promise, and I am sure we will hear from him about the bridge. Now I want to thank the hon. member for St. John's West (Mr. Hollett) for introducing it. It was a very fine gesture on his part and shows a lot of interest in the district because in 1956 he did not even bother to run a candidate there. I thank the hon. member for St. John's East for taking such an interest. However, I would suggest to him that politics, like charity, begin at home, and I would draw his attention to the awful condition of the local roads in the District of St. John's East, particularly in Torbay, where I may say last year —

**Mr. Speaker:** Order. I think the hon. member is getting away from the petition.

**Mr. Power:** No. This has to do with the

petition. Last year the people of Torbay were entitled to a \$3,000 per capita grant. No one ever looked for it, not even the representative from the district. Now I would be very grateful for any help which you gentlemen would give me in performing the public works in my own district, and if there is a possibility of building a bridge on Placentia Gut; there would be no one more interested than I in doing it, and we would not need the help of the Leader of the Opposition.

**Mr. Hollett:** You might.

**Mr. Power:** But I will say this — Mr. Browne, promised to build the bridge and we have nothing therefore, to worry about; we are going to get it anyway. So that it is unnecessary to present any petitions.

**Mr. Hollett:** That is why you would not present the petition?

**Mr. Power:** I beg your pardon — There was no question of not accepting the petition.

**Mr. Hollett:** You refused.

**Mr. Power:** Is the hon. member speaking from hearsay or has he personal knowledge of that?

**Mr. Hollett:** I would say I have no personal knowledge.

**P.J. Canning:** (Placentia West): Mr. Speaker, I feel that I "made the plural" when the hon. Leader of the Opposition said "Members of the opposition side" — (Members from this side of the house would not accept the petition.) As everyone knows, I was sent a petition from these places mentioned. I did not accept it, Sir, and I gave my reasons as follows:

(1) The petition was not written in the proper manner to present to the house. Several names were written in the same handwriting.

(2) As I told the person who sent the petition, at Placentia, they are very fortunate in regard to a fairly good standard of services, especially when I compare the standards reached in some places concerned with the petition. They have electricity, they have

their roads, they have hospitals, they have a modern ferry.

Last year, Sir, I travelled on several ferries on the mainland, across rivers, and I did not see anything more modern. As a matter of fact, Sir, I was very proud of it. For its size and its purpose it is one of the most modern and gives good service, very satisfactory, night and day. I am not going to oppose building a bridge in Placentia. I am not going to oppose anything to make the life easier for Newfoundlanders. But until such time as the people of Paradise, who are isolated, and the people of Paradise, who are isolated, and the people of Presque, who are isolated and who have very little hope of even getting electricity and roads, and the people of Isle au Valen, Merasheen and Red Island; until such time as their standards are raised to the existing standards at Placentia, I would not agree with the expenditure.

**G. R. Renouf:** (St. John's South): — Mr. Speaker, I would like to say a word in support of this petition, and for several reasons: It is the exercise of an ancient British right by the people of this district. The people themselves are a fine type. They have prepared a well-reasoned and well-thought out petition, and they stood on a promise already made. I think they deserve every support, and I wish to make it unanimous from this side of the house by heartily supporting it.

**J. O'Driscoll:** (Bell Island): Mr. Speaker, in connection with this petition, I would be very pleased indeed to support the petition, provided that the normal facilities of the district I represent — water, sewerage and hospitals — be first given to all districts, rather than a bridge for Placentia. They have an excellent ferry system there now, which runs every ten minutes, costing ten cents per person and twenty-five cents per car. We on Bell Island have a three-and-a-half mile ferry system not nearly so good as the ferry at Placentia, and I do not see why they need a bridge with such an excellent ferry system. Therefore, if, when the districts in Newfoundland are provided with a number of facilities to which the districts are entitled, water, sewerage and hospitals, I would then be very pleased indeed to support the petition, but not until then.



**Mr. Hollett:** Mr. Speaker, may I be permitted to ask the hon. member one question about this excellent ferry service. Could the hon. member for Bell Island inform me how many days that ferry was off duty in the last six months?

**Mr. O'Driscoll:** Since the question was addressed to me I will refer it to the member for that district; I am satisfied to have him answer it.

**Mr. Power:** Last year I think it was something like thirteen days while it was getting an annual overhaul, which happens to all ships. This year there was a complete refitting, and I think it was something like a month. We tried to get the boat on dock at Argentia, and the authorities there kept us hoping we could get on dock, but finally, in the month of June, they said we could not and we had to bring the boat in to St. John's. But all in all, I think it was about a month that the boat was out of operation for this refitting. It was not an annual overhaul but a complete refitting.

**Mr. Hollett:** That is not an excellent service.

**Mr. Power:** Oh yes, it is an excellent service. It would do the hon. gentleman good to go down there and go across, and have a look and see the place he ignored in 1956.

**Mr. Speaker:** Order. The debate seems to be out of order.

**Premier Smallwood:** Mr. Speaker, on this petition I have one or two things to say: — It has been said that I promised to build a bridge, "win, lose or draw." That is correct. I made that promise publicly in Placentia, on the strength of a statement made to me by the then Minister of Public Works, (Mr. Sinnott), that that bridge would cost \$250,000 to build. As it would cost only \$250,000 I said publicly in Placentia — "win, lose or draw" in that election, in that district rather, I would build a bridge, because I thought — I believed — it could be built for \$250,000. The election was not very long over before I had the top bridge engineer of Canada brought down to Placentia, Colonel Thompson. His estimate was that it would cost well over a million to build that bridge.

I decided there and then that I would not spend that money on that bridge. Having so decided, I went to Placentia and called a public meeting and told them so. I did not do it, but the present Minister of Highways (Mr. Power) did. He called a meeting on my authority and announced that I wished to be relieved of my promise, on conditions that I would put a first-class ferry there. I was relieved of my promise, and the ferry was put there. It was a first-class ferry. The piers at each side of the "Gut" cost as much as Mr. Sinnott said the bridge would cost. The two piers cost \$250,000. The boat cost \$115,000. That is \$365,000 we have actually spent.

So we are not going to build a bridge there. We will pave their roads for them, or at least my colleagues, the Minister of Highways will. The member for that district will pave their roads and do many other things, but he won't, (with the consent of this Cabinet and this side of the House) put a million dollar bridge there and scrap this \$365,000 outfit and \$250,000 worth of piers. No, we won't do it. The people of the district don't want us to do it, what is more, notwithstanding this fake petition. The fakery is on the very face of it. A fake petition is a position whose signatures are not genuine. These signatures are not genuine. Some are — again many are not. It is a fake. It is improper — it should be brought into the house and the hon. gentleman who presented it ought to take responsibility for the honesty and integrity of the names there. That he cannot do. Every member, before he presents a petition, takes that responsibility upon himself.

**Mr. Hollett:** Mr. Speaker — "Take that responsibility?"

**Mr. Smallwood:** The hon. gentleman cannot, on the face of it.

**Mr. Hollett:** Sir, on that charge, I was assured by a committee of four men, three or four, who asked me to present this petition, that every signature there was genuine.

**Mr. Smallwood:** Look at it and see it is not so.

**Mr. Hollett:** It is true some names are writ-

ten there by other people, but they have placed their mark there.

**Mr. Smallwood:** Their mark is not there. Their signature is not there. Look at it and read it.

**Mr. Hollett:** The Government threw away \$365,000 on nothing. What have they today in Placentia? A bridge? Nothing. But a bridge will be built there whether this Government does it or not, Mr. Speaker, It is factual, true, and nothing is faked about it.

**Mr. Smallwood:** Factual truth.

On motion, petition received for referral to the Department to which it relates.

**Mr. I. Mercer:** (Fogo District); Mr. Speaker, I rise to present a petition on behalf of the people of Indian Island. The prayer of the petition, Mr. Speaker, is signed by thirty-two householders. I would say that Indian Island is just a large rock in the Atlantic Ocean, about five miles south of Fogo and about one-third across the distance of the Hamilton Sound between Fogo and the mainland of this Province. There are thirty-two families there who wish to be relocated. They cannot get ferries nor bridges nor roads, apart from the per capita local road grant. They cannot even get teachers now to teach in their schools because of the isolated position of that Island in the North Atlantic.

They wish to be relocated, but their problem is this: They have to move to some other place. They cannot, (as they do or have done in some parts of this Province and on some parts of the coast) float across their homes. That is a practical impossibility from Indian Island to any part of this Province. Consequently they have to build new homes somewhere else. They claim, according to this petition, that the cost would be anywhere from \$2,000, to \$5,000 per family to relocate themselves. They are praying that the members of this House of Assembly be inspired to make a sufficient grant available, so that they may be able to relocate themselves as soon as possible. I have much pleasure, Sir, in urgently supporting the prayer of this petition, and I beg leave to place it on the table of the house, to be referred to the Department concerned.

**Mr. Hollett:** Mr. Speaker, could I rise on a point of order?

**Mr. Speaker:** A point of order to what?

**Mr. Hollett:** Mr. Speaker, when any person tables a petition in this house, and asks to have it laid on the table and referred to the department concerned, it is proper parliamentary etiquette for one servant of the house to take it to a newsman outside the bar.

**Premier Smallwood:** Mr. Speaker, to that point of order: When a petition has been presented to this House and moved that it be referred to the department to which it relates, and has been put to the house as a motion and carried, and it is so referred, and is delivered to the department, to the minister, if the minister then wishes to show it to the press, is that improper? The Minister did show it to the press and the Leader of the Opposition got up and walked down and took it back from the press. It is now the property of the Minister of Highways. It was to him it was referred by order of this House, put by your honour as a motion moved by the Leader of the Opposition and carried by this house. It was then passed to the minister and he in turn passed it to the press so that they may see for themselves. He has every right.

**Mr. Hollett:** He has no right to do it.

**Mr. Smallwood:** I put it to your honour — has he?

**Mr. Speaker:** Order! The petition, I believe, was laid on the table of the house and I believe it was in the hands of the Minister of Highways.

**Mr. Hollett:** He looked at it, barely opened it.

**Mr. Speaker:** It was in the hands of the Minister of Highways then it has passed beyond the control of the house. It was then in the hands of the minister to whom it relates. So that he would have to take the responsibility for having let the press look at it.

**Mr. Power:** I did not think there was anything to hide in it.

**Mr. Speaker:** The hon. minister had the petition in his hands, did he not?

**Mr. Power:** That is right.

**Mr. Hollett:** In other words, I take it any petition laid on the table can be taken by the minister of the department concerned and passed over "willy-nilly" to the press. Is that correct? If that is correct, well there is something wrong with the rules of the house.

**Mr. Speaker:** Well if it goes into the minister's hands he has to assume responsibility for it, and not the house.

**Mr. Hollett:** About time they took a little responsibility.

**Mr. Power:** If I may answer: I did not see anything wrong in giving it to a member of the press. I have every respect for their honesty and integrity.

**Mr. G. Nightingale:** (St. John's North): I would be very proud to give my petitions to the press, and the people in that settlement (Portugal Cove) would be very proud to see their names.

**Mr. Smallwood:** Not faked?

**Mr. Nightingale:** No, Sir. I am very, very sorry the member for Bell Island did not back me up, but spoke on the bridge in Placentia.

**Mr. Hollett:** May I speak on this: — It has been charged the signature on that petition, which duly presented this afternoon, are faked.

**Mr. Smallwood:** Many of them — not all.

**Mr. Hollett:** I would like to have that proven in this house or the court before such a statement is handed over to the press for their comment. You are throwing (almost) abuse at the people down there in Placentia, Argentia and Jerseyside who put their signatures, and their marks, as the case may be, to the signatures.

**Mr. Smallwood:** Mr. Speaker, to that point of order, I really can't allow my hon. friend, the Leader of the Opposition to misquote me a few minutes after I made the statement, when it is within the memory of the hearing of everyone in the Chamber. "Many are faked, many are not." That is what I said. It is a faked petition when there are faked names. That makes a petition a faked petition.

**Mr. Speaker:** Sitting in the Chair, it is impossible for me to decide on the genuineness of the petition. I cannot do so. I do not think any changes has been levelled at the hon. Leader of the Opposition nor any member of the house. I do not think the hon. Leader of the Opposition's integrity has been brought into question at all, and I do not think the Premier meant to bring any charge against the Leader of the Opposition when he said that. — So I cannot decide on that.

**Mr. Hollett:** Mr. Speaker, if he charges it is a faked petition, I have to assume the responsibility for presenting to the house a faked petition.

**Mr. Speaker:** No, I don't think so. The hon. Leader of the Opposition then got up and said he had been assured by four people that this was a genuine petition. Therefore, the house has to accept that as clearly the Leader of the Opposition's explanation, and which is, I think, a very good explanation. Are there any other petitions?

**J. Forsey:** (Humber East): Mr. Speaker, I beg leave to present a petition, but after the unwarranted controversy which seems to have taken place, I do not know if I am doing right or not. I certainly can't certify as to the correctness of the names on the petition, and I do not believe there has ever been a petition presented on which any member could certify the signatures were made in the proper form. I certainly feel that all of us should take responsibility for sending petitions — Mr. Speaker, perhaps I am not coming to my point. I do not know if anybody else ever did this, even so I beg leave to speak in this way. I do so because I think it deplorable to sit in this house, (and I have no intention or desire to sit in the House) and feel I am speaking for a select

few voters who voted for me. For those who voted for me in my district I have undying gratitude, respect and love, and for the party I represent. When voting day was over, I came into this house to represent the people, regardless of politics. I have never been guilty and never will be, of asking a man's politics before interceding in his behalf. I might be guilty of presenting petitions asking unfair things from the Government, but for bringing in petitions to make political "hay," with no regard for the welfare of the people concerned.

**Mr. Hollett:** May I rise to a point of order, Mr. Speaker? Is the hon. gentleman inferring this petition brought in by me was to make political hay?

**Mr. Speaker:** He did not say so. I would suggest to the hon. member that he would confine his remarks to his own petition.

**Mr. Forsey:** I beg leave to present a petition, Mr. Speaker, from the people of Howley in the District of Humber East. The prayer of the petition is that a road be constructed to connect Howley with the Trans-Canada Highway. Mr. Speaker, normally I would think twice before doing this, but the Minister of Highways has already agreed to construct this road sometime in the near future. I would think twice before asking because of the tremendous cost of constructing a road to Howley. I know each and every one of us in our Province are entitled to modern means and modern facilities, but I do not forget it is my duty as a member not to request something unreasonable and not right. But I am sure this is not so in their case because it would be a connecting link for the people of Howley who have survived for years with only a railway connection. I am doing so because I think that it comes under the scheme of a greater development for a greater future. I think Howley could be developed as a great tourist attraction. This petition is also supported by the community of Howley, and in the letter it contained from the Chairman of the Community of Howley, he said the road is justified, not only because of the desire of the people for road transportation, but because the men, primarily woodsmen and deriving their living from going probably many miles away from the settlement, for whom it

would mean a tremendous saving economically, getting back and forth to their homes. But also Howley is a tremendous tourist potential, and with an airstrip at Deer Lake already under construction and plans to proceed on a much greater scale, I do think, Mr. Speaker, that this road would not be a selfish expenditure but a very fruitful venture. It would be very necessary to the people of Howley, and it is a vital link that we are going to develop if we are going to try and make our Province the tourist attraction that it could be. So, Mr. Speaker, it is a great honour to support the petition. I beg leave, therefore, to present this petition to the house and have it referred to the Department to which it relates. On motion, petition received for referral to the department to which it relates.

**Hon. C. H. Ballam:** (Minister of Labour): Mr. Speaker, I was going to speak for a moment in support of that.

**Mr. Speaker:** Probably I was a little fast — The hon. member may speak.

**Mr. Ballam:** I know the section referred to by the hon. member for Humber East, and I know that the people of Howley certainly need some kind of communication other than that which is provided by the railway. It was thought at one time that the centre of Howley would become sort of a dead wheel, because of the fact that the paper company at that time intended to withdraw its wood operation from that area. But we find that, instead of that happening, the people are still living at Howley and others are coming in; and as mentioned by my hon. colleague, it became quite an area for tourists and for other developments such as wood cutting and so on. I represented that area before the district was split, and I tried on many occasions to get some communications put through there. But there was a contention at the time that there might not be a Howley in the course of time, as I previously happened to mention. Instead of that happening, the population of Howley is increasing, and I am sure that they are in dire need of some means of communication. I therefore heartily support the prayer of the petitioners.

**Presenting Reports of Standing and Select Committees:****Giving Notices of Motions:**

**Hon. L. R. Curtis:** (Attorney General) (Twillingate Dist.): Mr. Speaker, I give notice that, with the unanimous consent of the House, I will move later that the house go into Committee of the Whole to consider certain Resolutions with respect to the erection of a building to house the various Departments of Government.

**Hon. E. S. Spencer:** (Minister of Finance): Mr. Speaker, I give notice I will on tomorrow move the house into Committee of Supply. At the same time, Mr. Speaker, I also give notice that I will on tomorrow move the house into a Committee of Ways and Means.

**Giving Notices of Questions:**

**Mr. Hollett:** Mr. Speaker, I have quite a few questions, if I may be permitted. I do not know if I have to show them to the press first or not. I give notice I will on tomorrow ask the following questions. Mr. Speaker, I have a considerable number of other questions but will content myself with reading these this afternoon.

**Mr. Duffy:** Mr. Speaker, I give notice of the following questions on tomorrow.

**Mr. Speaker:** Since all the Orders on our Order Paper were dealt with in our last sitting, there is no Order Paper today.

**Hon. L. R. Curtis:** (Attorney General): I wonder if the house would be willing to give its unanimous consent to going into Committee now to consider certain Resolutions with respect to the public building. The house is now facing a long week end, and if we get on to our legislation, this is the only legislation in this session, with the exception of the estimates and the money Bill which will follow the passing of the estimates. So I suggest my hon. friends might be willing to go into Committee of the Whole House now, and debate might take place on second reading of the Bill rather than in the Resolution stage.

On motion, and with the unanimous consent of the house, that the house go into Committee of the Whole, Mr. Speaker, left the Chair.

**Mr. Clarke:** Chairman of Committee of the Whole.

**Hon. J. R. Smallwood:** (Premier): Mr. Chairman, I understand that my hon. friend, the Leader of the Opposition, has previously agreed that debate on this matter should take place on the second reading of the Bill itself rather than on the Resolutions. I suppose, very technically, a debate could take place on both occasions. Actually the practice has always been, I think, to have the debate on one of the two occasions. If the debate is on the Resolutions, then the second reading of the Bill that follows is a perfunctory performance. Whereas, if the reading of the Resolutions and their adoption be done in a perfunctory fashion, then the real debate takes place on second reading, with, as I said, only the one debate. That is the practice. I understand the Leader of the Opposition agreed, for his side of the house, that the debate on this matter should take place before the house itself, rather than on the presentation of these resolutions. For this reason, I do not propose to say anything at all at this stage but to reserve my comments to the debate on second reading and any remarks I have to make by way of explanation. That is about all there will be.

**Mr. Hollett:** I wonder, Mr. Chairman, if I might ask the hon. the Premier — We have not seen the documents tabled this afternoon as yet. It says here it is expedient to introduce a measure — Perhaps the Hon. the Premier could briefly outline the expediency.

**Mr. Smallwood:** Well, Mr. Chairman, the Resolutions are couched in perfectly conventional form. There is nothing novel at all about the form in which the Resolutions are worded — The use of the word "expident" to introduce a Bill is much older, in this connotation, than is any member of this house. Resolutions have been so worded for at least a century — "that it is expedient" — that it is desirable" — "that it is necessary" — all these connotations — "it is expedient to

introduce a measure." Now to give the reason why it is expedient is to initiate the debate. I cannot explain why it is desirable to introduce a Bill to give effect to certain things unless I give the reasons, and giving the reasons is the debate. That is the speech I would make in the debate on second reading. If the hon. Leader of the Opposition prefers to have the debate now, I am perfectly agreeable and I am ready to go on with the debate. But I gather the hon. member has suggested he would be much more ready to go on with the debate after they have had a chance to consider these documents. They will then be as well fitted as I am at this moment, because I have already studied these documents.

**J. D. Higgins:** (St. John's East): I may say, Mr. Chairman, that is exactly the purpose my hon. Leader has in mind actually, to enquire whether these documents can be made available to us on this side of the House.

**Mr. Smallwood:** They are on the table of the house. I tabled them for that purpose.

**Mr. Higgins:** Another document tabled was made available somewhere else.

**Mr. Smallwood:** There is all the difference in the world. That was merely a petition received.

**Mr. Higgins:** I think the Hon. the Premier understands exactly what I was trying to say — As long as we can have the documents for consideration, we are prepared to await the matter until second reading.

**Mr. Smallwood:** Mr. Speaker, on tabling the documents on the opening of this sitting today, I said I was tabling them for the benefit of my hon. friend, the Leader of the Opposition and, through him, to his colleagues on that side. I then did so, and they have been at their disposal ever since. They are at the Opposition's disposal.

On motion, Resolution carried.  
Motion, that the Committee rise and report having passed certain Resolution, carried.  
Mr. Speaker resumed the Chair.

**Mr. Clarke:** Mr. Speaker, the Committee of the Whole have considered certain Resolutions and have instructed me to report same and recommend that a Bill be introduced to give effect to same.

On motion, report received.

On motion, (by consent) Resolutions read a first and second time.

On motion, a Bill, "An Act To Provide For the Erection of a Provincial Government Building" read a first time, ordered read a second time on tomorrow.

**Mr. Smallwood:** Mr. Speaker, on moving the adjournment of the house until tomorrow, Thursday, I think it is entirely unnecessary for me to say that (but perhaps will do no harm, if I do say it) the giving of the notice by my hon. friend, the Minister of Finance, of moving two resolutions tomorrow is a technical way in which he announces he will bring down his budget tomorrow and also introduce the estimates of expenditure for the year. I move that the house at its rising do adjourn until tomorrow, Thursday, at three of the clock.

On motion, the house then adjourned until tomorrow, Thursday, August 28th, 1958, at three of the clock.

The house met at three o'clock.

Mr. Speaker in the Chair.

**Presenting Petitions:**

#### PARLIAMENTARY PRESS REPORTING:

**Hon. J.R. Smallwood** (Premier): Mr. Speaker, I rise to a point of privilege. I would like to invite your attention, and the attention of the house, to a report that appears in this evening's edition of the "Evening Telegram" of some of the proceedings in this house yesterday. I propose to read the thing to you. It reads as follows:—

#### TEXT OF EVENING TELEGRAM ARTICLE:

"A bridge will not be built across the Placentia Gut since the people do not want one there and since it would be an entire waste of money", Premier Smallwood shouted in

the House of Assembly yesterday after Opposition Leader Malcolm Hollett presented a petition, allegedly signed by 2,592 people from the Placentia area called for the bridge.

Jumping from his seat in the house and shouting "fake", "fake", the Premier grabbed the petition from the desk of the clerk of the house and, waving it around, charged that many of the signatures were signed by the same person.

Now, follows an alleged quotation:

"And the Hon. Leader of the Opposition who presented this to the house today has to take the responsibility of the honesty and integrity of this (petition)" Mr. Smallwood said.

Mr. Hollett on his feet, redfacedly assured Mr. Smallwood that, "as far as he knew", the signatures were genuine; while it was true some one wrote in the names of the people who could not write, the genuine "x's of these people were affixed," he said.

"Fake! Fake! Fake!" shouted the Premier. He told the house that while it was true he promised the Placentia area people he'd build a bridge across the Placentia Gut, the people relieved him of his promise when he imported "the top bridge engineer in Canada," a Mr. Thompson," who revealed the bridge would cost a million dollars."

The Premier, having previously told the people that he'd spent a quarter of a million dollars on some access across the Gut, he with their sanction — after the Thompson report — went ahead to install two piers which cost the promised quarter of a million for a second-to-none ferry which cost an additional three hundred sixty-five thousand dollars.

"We'll pave their roads," shouted the Premier, "but we won't put in a million dollar bridge and scrap the piers. The people don't want it" — (I am sorry I am not quoting this right. I should be shouting. It says I shouted it, so I will shout) — No, I won't. ... we won't put in a million dollar bridge and scrap the piers. The people don't want it. That is (another reason) why the petition is a fake."

When the Hon. Gregory Power, highroads Minister and member for the district, took the petition to the press gallery (I will repeat that). When the Hon. Gregory Power, Highroads Minister and member for the district took the petition to the press gallery

for press opinion as to its honesty and integrity, Opposition Leader Hollett ran across the house and grabbed it from a reporter. (The reporter said afterwards that there were names affixed apparently written in the same hand and containing no "X" marks).

The petition (described by Mr. Hollett as an unusual one since it was being presented by the Opposition and not by the Government member for the district) was placed for the following reasons, (the reasons named in the petition).

Max Lane (White Bay North) contended that the people of his district needed many necessities above Placentia's need of a bridge.

Highroads Minister Power said that there was no bridge built by the Provincial Government because W.J. Browne (Federal Minister without Portfolio) said he was going to put one there.

He reminded James Higgins (P.C. St. John's East) that he regarded politics like charity by letting it begin at home. Mr. Higgins had previously supported the petition on behalf of the Placentia people. Mr. Power told Mr. Higgins to fix up the Torbay Road and other roads before he concerned himself with the problems of the people outside his jurisdiction.

Messrs, Renouf and Duffy, on the Opposition side, supported the petition.

#### END OF TEXT:

Now, Mr. Speaker, I read it exactly as it appears, having left out only the recapitulation of the wording of the petition itself which is as far as I can see, accurate.

My complaint with this is not essentially because it contains a number of gross inaccuracies (I will not say falsehoods. I draw the distinction between accuracy and falsehoods — a lie). A thing may be false and yet not a lie. If it is told knowing it is not true, if it is told for the purpose of deliberately deceiving some one, then it is a lie. Now I am not condemning it for that. I do not say anything written here was done so, deliberately, as a lie, knowing it to be false and with the intention to deceive the reader. I am not saying it was written in that way.

I condemn it primarily because the whole piece is misrepresentative of what took

place in this chamber. Specifically, it is not true that "the Hon. Gregory Power, Highroads Minister and member for the district," took the petition to the press gallery of this chamber. Anyone who saw (yesterday afternoon) the Minister of Highways take this report to the press must have been drunk because the Minister of Highways did not take it to the press gallery. At least, if the reporter who wrote this saw him do so, he is the only one alive who saw it. We did not see him and no one in this house saw him. You did not see him, Mr. Speaker. The hon. Leader of the Opposition did not see him. I did not see him. The Minister is not conscious himself of having done it.

Now, the people of Newfoundland, at least those of them who read this newspaper, are told the Minister of Highways took the petitions to the press gallery for press opinion when in fact he did not. Now I do not call that a lie, but the man who wrote it was either drunk or incompetent. I do not say he was malicious — he was probably only a fool or he was drunk, one or the other; because in fact, the Minister did not do it. But the people of Newfoundland are told he did do it. It is here, in cold print.

Now the same drunk, or the same fool, says further on "... Opposition Leader Hollett ran across the house." Now I was here — I saw no Opposition Leader nor any one else run across this house.

Then he says, "... and grabbed it from the reporter."

I saw the Leader of the Opposition go, with dignity, with decorum, to the press gallery and remove, bring back the report. I thought he was wrong in doing so. But that is not the point. He certainly did not run across the house and certainly did not grab it. But he is described as having done that by someone who wrote it for this newspaper. "Mr. Hollett, on his feet, red-facedly assured Mr. Smallwood that as far as he knew the signatures were genuine." That is not what he said. What he said was that the members of the committee who had passed him the petition assured him they believed the signatures were genuine. Is there not a distinction? Is there not a difference between the Leader of the Opposition saying he believed they were genuine and saying that the committee told him they thought they were genuine? Is there not to be accurate reporting? Will any old thing do in the

newspapers about the members of this house, all elected by the people? Are we fair game for any clown, any ignoramus, plain drunk, any fool or any evil minded person, are we fair game for them? Apparently we are. Have we no redress? I think we have. Th redress would be drastic. I would not be the first time it was adopted. I have been sorely tempted on more than one occasion in the history of this house, while I have been a member of it, to ask the house to exclude certain writers, certain reporters from the precincts of this building and keep them excluded. I have been sorely tempted to make that motion. I have never done it, and I do not want to do it now. But I think, that every member of this house, without exception, is as much entitled not to have his words garbled, as much entitled to be reported accurately, if he is reported at all, as he is entitled not to have his property robbed or his pockets rifled. A public man has cares and responsibilities and worries he must carry, whatever side of the house he happens to sit on; and if a public man is not entitled to fair reporting of what he says, then he is entitled to nothing. We have a right in this chamber to demand accurate reporting, that our words be accurately reported or not reported. We have a right to demand that they be not garbled. Now I may be described by this same ignoramus (it must be someone I befriended sometime, someone I lent money to sometime. I have no conscious knowledge of who it is nor of ever having lent him money) I may be described as "shouting". Now perhaps my voice, from thirty years of public speaking, becomes more powerful than the rest of me. I am always described by poverty minded people — people of poverty stricken minds — which can think of nothing but the word "shouting". Now, as an old newspaper reporter, I can give twenty-seven alternatives to the word "shout" I would be willing to buy him a book on synonymy.

"Fake! Fake! shouted the Premier." I have no recollection of saying it was "fake". I even have a recollection of perhaps having shouted the word "fake" but no recollection of using the word three times in succession, shouting it "Fake! Fake! Fake!" Mr. Speaker, I am not unaware that there is something amusing about it. I am not oblivious to the humour of it. There are things here than can bring a smile. At the same



time, I warn this house that, if we permit it, we could be dragged down in the dirt as public men by this kind of thing. Remember this did not appear in the "Daily News" and was not broadcast over any radio station. It appears only in this one newspaper, written by this one person. Are all the newspapers, "the Daily News" and all the radio stations wrong and only this newspaper right? We can be dragged into the mire — Any reader of this newspaper who has no knowledge of what took place here yesterday except what is in this newspaper gets a picture of the Premier of the Province, the Leader of Her Majesty's Government, as a madman, virtually a madman, virtually foaming at the mouth and gets a picture of the Leader of Her Majesty's Opposition as certainly not a public man of some dignity and some presence. A man of dignity, a man of presence does not go charging across the floor and grabbing documents. But that is how he is described.

I say that while we must be a very jealous indeed of the rights of the press, which includes radio (it is part of the press) we must also not fail to take any steps that are within our reach to prevent illegitimate use, by the press, of the privilege it has to report the proceedings of this chamber, Sir, it is the only means we have of reaching the people of Newfoundland in our deliberations here, and they are entitled to know our deliberations.

The only means we have of doing it, practically speaking, is to provide a press gallery and admit newspaper reporters and radio and television reporters into that press gallery, provide proper facilities for them and give them the freedom which they do not have naturally, which they do not have by law.

As Your Honour has pointed out (you and Your Honour's predecessor Mr. Speaker Sparkes) repeatedly, and as every Speaker, under the British Flag has repeatedly pointed out, it is a privilege accorded to the press and not a natural right, by law or by nature — It is a privilege accorded to the press by Parliamentary bodies). Let it not be forgotten that Parliament in a democracy is above the press. The press is not as great as Parliament. No court in the land is as great as parliament. Parliament is the high court of the land. We are the "high court of Newfoundland", this Parliament here. Let that

not be forgotten. Let it not be said of me, as has been said before when I made the same remark, that I claim, that the Government claims, to be above the Supreme Court. Let that not be repeated. I say, we here today, Sir, you, Your Honour, and the Leader of the Opposition and his colleagues, my colleagues and I, and my friends in this house, all of us together, are the high Court of Newfoundland. We are above the Supreme Court, above the Central District Courts, above the Magistrate's Court, above the press — We are the "Peoples' House" — There is only one step higher, under God, that is the Queen. Next only to the Queen, we are the highest in the land, the highest there can be collectively. As the "Peoples' House" we are entitled (if we are going to be reported, our deliberations are going to be reported) to be reported accurately or not at all. If we are not reported accurately, if we are reported inaccurately, mischievously, then we are duty bound, if we are self-respecting public men with any regard for the rights of Parliament, we are duty bound to take steps to prevent things such as these. Steps such as these have been taken before, and I dare say they will be taken again. I am ashamed of a newspaper that would give that description of what occurred in this Chamber yesterday.

Now, Sir, I speak as one who had a very deep respect for British Parliamentary Institutions. My favourite reading for a great many years has been the lives of British Statesman. I have a collection of books about British Statesman, perhaps among the best of such collections. It hurts me and pains me to see this house again beginning to be torn down. The trouble, Sir, it seems to me, is that every session we are reported by different reporters in the house. In the House of Commons at Ottawa and the House of Commons, Westminster, the journalists who cover the proceedings are usually men who have been there six, eight, ten, fifteen and twenty years and even twenty-five and thirty years, to whom nothing that happens is new. It is all an old story. They do not feel any obligation, when they go back from the chamber, to write a lurid and sensational story of the shouting Premier; and running Leader of the Opposition, grabbing documents. They do not feel any such obligation. They are men who have seen Sir Winston Churchill hurl a book

across the floors of the chambers. These are reporters who have seen incidents, so often and so many, they don't get half hysterical because one of the members raises his voice, and if the Leader of the Opposition does not get down and crawl across the floor, have to have him "running".

Sir, I can outlive it. I will outlive it, please God. I will outlive this particular newspaper. I will. I do not mean I will live longer than they live. I do not mean that, Sir. Whatever they may say, I have done without them for nine years and I hope, for the remaining nine or nineteen I may be in public life, I can continue to do without them. It is just not a personal matter. It is a matter of the honour and standing of this house, this chamber, in the eyes of the Newfoundland people.

Now, I had to, I could not let that pass even though the day is supposed to be devoted almost exclusively to one great event which happens each year in this chamber, the bringing down of the budget. I could not bring this up tomorrow. There will probably be no session again until Tuesday. Monday is Labour Day. So, I have had to do this today, and I hope I will be joined in it by the hon. gentlemen who sit opposite us in this Chamber.

**Hon. M. Hollett** (Leader of the Opposition): Mr. Speaker, if I may take just a minute to say this: — I, and I am sure every one of my colleagues are in perfect accord with everything (practically everything) said, by the Hon. the Premier, with regard to this house and with regard to the relationship that ought to exist between this house and the members of the press. I did not have the privilege to see the "Telegram" before I came in. I did see the "Daily News." I believe that paper accused me of "snatching" the paper or "grabbing" I am not sure which. It did not concern me much. I will just describe for the benefit of any members who were not here yesterday exactly what I did by "rushing" across the house.

This is exactly what I did: — I saw the paper going down, I walked out like this (I am not sure I buttoned my coat) bowed to Your Honour, went down right in here and I took the papers and took them back, like this, Sir, and I bowed to Your Honour again, and laid them down there. Now if that is "running" or "scampering" or "rushing" I would

say we do join with the Premier in everything he said in regard to the dignity of this house. There are times, no doubt, when even I may not be so dignified as I would like to be. But I hope the press has some knowledge of humanity, and the pressures on people in this house. The "Daily News" I believe, was good enough to say the temperature here was 83. If we helped to make it a little higher, I trust it did not affect the members of the press too much. I, and I am sure every member of the house, was yesterday concerned, and I am not going into that too deeply, Sir, with the rights of citizens to present petitions to Her Majesty's House of Assembly here. I have, since yesterday, taken the trouble to read back in the history, the story, of the presenting of petitions. I find that, under Section 5 of the Bill of Rights, passed in the Reign of William and Mary, it was guaranteed to every citizen the right to petition to this house. That has been upheld, and I am quite sure every member of this house is prepared to uphold it.

If it appears the Hon. the Premier shouted a mite — I heard him across the house — I would not call it shouting. Mind you, I have heard him shout before — He was not shouting in my mind. I may say I may have been shouting too. I do not know what the acoustics are like here. But I do want to assure the Premier and you, Mr. Speaker, that we wish to uphold the dignity of this house. There may be times when we individuals (maybe individuals on this side or on the other side) will step across the border line — but when it comes down to hard facts, Sir — the dignity of this house — we as a body will see it is upheld. I want to thank the Premier for the statement he made, on behalf of my colleagues.

**Mr. Speaker:** Perhaps at some future time I might, for the information of the house, say a few words regarding the press and Parliament, but not at this time. I have not seen the copy of the "Evening Telegram" so that I cannot comment on it at length, except to say that I was in the Chair at all times during yesterday's proceedings, and I had no idea there was so much action. I would just add this warning to those concerned — Inaccurate and misleading reporting can be construed as a "breach of the privilege" of this house, and any parliament may, and

should, take steps to deal with any infringement of its right and privileges. That is all I have to say at this time.

### Presenting Petitions:

### Presenting Reports of Standing and Select Committees:

### Giving Notices of Questions:

Notices of questions on tomorrow given by Mr. Hollett, Mr. Higgins, Mr. Duffy and Mr. Renouf.

## ANSWERS TO QUESTIONS:

**Hon. E.S. Spencer** (Minister of Finance): Mr. Speaker, I beg leave to present the answer to Question No. 51, on the Order Paper, in the name of the Hon. Leader of the Opposition. Mr. Speaker, I have had sufficient answers prepared to go around to all members and I have no doubt for the press as well, and I gladly table same.

**Hon. W.J. Keough** (Minister of Mines and Resources): Mr. Speaker, I beg leave to table the answer to Question No. 55, on the Order Paper of August 28.

**Hon. J.T. Cheeseman** (Minister of Fisheries): Mr. Speaker, I beg leave to lay on the Table of the House a reply to Question No. 56.

Now, Mr. Speaker, I would like to explain for the benefit of the house that the Hon. Leader of the Opposition in his question just referred to fish plants. I am assuming he was also referring to the cold storage company at Englee, and the answers are based on that. The answer is \$56,179.37. This amount includes the interest computed to the 30th. of June 1958. As the Canada Bay Cold Storage Company is a private company my Department has no knowledge of how many employees they have at any time.

## ORDERS OF THE DAY:

**Hon. J.R. Smallwood** (Premier): Mr. Speaker, I do not think it is the desire of the house we should proceed with No. 1 today,

so I ask to have it deferred so we can move on to the Budget.

On motion No. 1 deferred,

The Hon. Minister of Finance to move the house into Committee of Ways and Means to Consider the Raising of Supply to be Granted to Her Majesty.

**Mr. Spencer:** Mr. Speaker, I have the honour, by command, to announce a message from His Honour the Lieutenant Governor.

The Hon. the Minister of Finance:—

I, the Lieutenant Governor of the Province of Newfoundland, transmit Estimates of sums required for the public service of the Province for the year ending the 31st. of March 1959, aggregating \$74,923,400, and in accordance with the provisions of the British North America Act of 1867, as amended, I recommend the Estimates to the House of Assembly.

## BUDGET SPEECH:

(sgd) Campbell Macpherson  
Lieutenant Governor

**Hon. E.S. Spencer** (Minister of Finance): Mr. Speaker, it was my hope that the Budget Speech this year would state exactly the amount of money that will come into the Treasury of this Province each year in future as a result of the recommendations of the McNair Royal Commission on Term 29, and the action taken by the Parliament of Canada to implement those recommendations, but fate has decreed otherwise.

In the first place, the report and recommendations of the McNair Royal Commission were received by the Prime Minister of Canada on a much later date than we supposed last year would be the case. In the second place, a considerable period of time elapsed between the receipt of the report by the Prime Minister and its tabling by him in Parliament. This long lapse of time was due, so we were informed, to the delay in producing a French translation of the report. Finally, the Prime Minister of Canada announced, some weeks after he had received the French translation, that he and his administration were not prepared to ask Parliament to implement the recommendations of the Commission, until he and they had

been able to give it further study. The Prime Minister noted that Newfoundland appeared to be dissatisfied with the recommendations, and it was for this reason, he told Parliament, that he was not prepared to proceed with the implementation of the report at this time.

The Premier of Newfoundland has already announced Newfoundland's pleasure at the Prime Minister's decision not to implement the McNair Commission's recommendations without further study, and I have already publicly professed my own disappointment over the fact that the Prime Minister was reported to have stated that no further action on the McNair Commission recommendations would be taken during the present session of Parliament.

I am sure, Mr. Speaker, that every Member of this House, regardless of his party label, will wish most fervently that the Prime Minister and his colleagues will discover the wisdom and the justice of according to the new Province of Canada a much more generous award than that recommended by the Royal Commission. There was a rather powerful outcry against the original Terms of Confederation when they were first published some ten years or more ago. Many Newfoundlanders felt strongly that the Terms were altogether inadequate to Newfoundland's needs. It is public knowledge that at least one of the members of the Newfoundland delegation (Chesley Crosbie) that negotiated and signed the Terms of Union flatly refused to add his name, giving as his reason his strong belief that the financial terms in particular were entirely inadequate for the intended purpose of enabling Newfoundland to adjust herself from the status of an independent entity within the British Commonwealth to that of a Canadian Province. Other members of that delegation signed, notwithstanding their own innermost doubts as to the adequacy of the Terms, on the ground that whatever inadequacy there might be in the actual Terms themselves, Term 29, when it came to be applied, would make up handsomely for any of these deficiencies. I have it from the Hon. the Premier himself that no member of the Newfoundland delegation would have signed those Terms but for the existence of Term 29.

I am sure, Sir, that this house will find no difficulty in believing that Term 29 was re-

garded as the sheet anchor of Newfoundland in those negotiations, and in Newfoundland's entry into the Canadian family of Provinces. I very much doubt that the Terms would have been signed at all if the members of the Newfoundland delegation could have anticipated a recommendation of only \$8 million under Term 29, for that figure is absurdly inadequate for the purpose. Its very inadequacy, indeed, is an excellent measure of the satisfaction that Newfoundland has felt over the Prime Minister's declaration that his administration of the Government of Canada would not implement the recommendation without further careful consideration. Newfoundland concurs heartily in the Prime Minister's decision; but I am obliged, as the Minister responsible in the first instance for the finances of this Province, to say that Newfoundland just cannot afford to do without any amount in the present year while the Government of Canada is giving the matter that further consideration. The Premier of Newfoundland has already requested the Prime Minister to ask Parliament to award to this Province, on something like an interim basis, the actual amount that has been recommended by the McNair Commission. If the Canadian Government's further consideration leads them to ask the Parliament of Canada to increase the amount, then the additional amount will be most heartily welcomed. In the meanwhile, in the long wait for action on this matter, we have arranged our Estimates and Budget for the current financial year, now so well advanced, to include at least the amount that has in fact been recommended by the McNair Commission. By the time that our next Budget is presented to this house, some time next winter or spring, Newfoundland will have been a Province of Canada for ten years. Two facts of striking, even dramatic, significance can be stated about these ten years. The first of these facts is that, in the decade just ending, Newfoundland has seen more growth, more expansion, more development, more improvements, more progress in her public services than ever experienced by her in any fifty years her previous history. Indeed, it would be the sober truth to say that Newfoundland has advanced further in the field of public services, in these ten years, than she had done in the previous one hundred

years. We have had more miles of motorable roads built in this decade than in all the previous history of Newfoundland. We have had more expansion in our school and education system generally in these past ten years than in all of our previous existence. The progress in our public health system has been truly spectacular. We have seen more progress in public housing, in municipal development, in the provision of water and sewer services, in the provision of electricity, and a dozen other directions, in these ten years than in all the time that went before. This is the truly dramatic fact about this decade.

There is, I regret to say, an even more dramatic fact that can be stated about our Province ten years after she became part of Canada. This is the fact that, notwithstanding the phenomenal growth and improvement in our public services, Newfoundland still lags pathetically far behind the next least developed Province of our nation. We are twenty-one times larger than Prince Edward Island, and our population is almost five times greater, but we have 300 miles of motorable road less than they have. We are more than twice the size of Nova Scotia, but Nova Scotia has five times as many miles of motorable road.

I cite these two sets of facts to illustrate, if illustration be needed, the fundamental character of our need for substantial improvement in the amount we are to get each year under Term 29. This is a matter which transcends party loyalties. This is a matter which must arouse the warmest support of every true Newfoundlander. Only scoundrels and fools in Newfoundland can withhold their support of Newfoundland's drive for more generous and more just treatment than that suggested by the McNair Commission. It may well be that there are a few blind partisans in Newfoundland, a few fanatical political heelers whose hatred of the present administration in this Province is greater than their love of Newfoundland itself, who feel an inward glow of satisfaction because the Newfoundland Government's request for \$15 million a year was disregarded, and because there has been delay in the tabling of the McNair Commission's report in the Parliament of Canada, and further delay in parliamentary consideration of this report. Insofar as these unworthy sons of Newfoundland believe that the Government of

Newfoundland is embarrassed by these sequences, they may be smiling to themselves and rubbing their hands in glee. They are a contemptible minority of our people, for all responsible-minded Newfoundlanders, regardless of their party affiliations or other differences, are as one in their desire for a just and generous award for Newfoundland. After every hon. Member now occupying a seat in this Chamber is dead, even the youngest of us, this award, when it is finally made, will keep coming to our Newfoundland Treasury; it will be spent each year to provide the children of Newfoundlanders, all Newfoundlanders, regardless of the political likes or dislikes of their parents, with the educational opportunity that should be the heritage of every Canadian child. This money, Sir, for decades to come, will go to provide roads for our people, and medical services, and electricity, and water and sewer services, and a host of other public conveniences and amenities. If Newfoundland is to catch up with the rest of Canada, if Newfoundlanders are not to be treated as second class Canadians, and are not to feel like second class Canadians, then those services must not much longer continue to deserve the description we are forced to put upon them today, namely, that they are inferior to the worst in the rest of Canada. It was not for this that we became Canadians. It was not for this that we abandoned our ancient and honourable independence within the British Commonwealth. It was not for this that we merged our identity as a people and as a colony into that of the Canadian nation.

Mr. Speaker, it is undeniable that our public services must not only be maintained, but increased and improved. The continuation of our existing public services at their present levels and standards will be made possible, if all goes well, by the award under Term 29. But, Sir, it is not enough, indeed it is far from being enough, to continue our public services at their present levels and standards. We must enlarge, expand, increase, and improve these services. That is why the policy of the Government, as announced by the Hon. the Premier, is to build more miles of road, add to the number of hospital beds, increase the number of school classrooms, improve the qualifications of teachers, introduce electric light where it does not now exist, enable

water and sewer systems to be installed, and generally to raise these levels and standards of public services in Newfoundland. You will find, in the Estimates of Expenditure which I shall table later today, provision for an important instalment of these extensions and improvements. An amount of close to \$2 million is provided for education; that is nearly \$2 million more than we spent on education last year. An amount of another \$1.5 million more than last year is provided for health and hospitals. An amount of an extra \$4.25 million over and above last year is provided for the paving and building of additional miles of roads in this Province. What will be spent on rural electrification this year, to bring the blessings of electricity to areas not presently enjoying them, will cost some figure that it is entirely impossible to forecast at the present moment, for which reason we have inserted in the Estimates a purely nominal sum to provide the basic vote for this purpose. Other additional amounts are being provided for improvements and increases in other branches of the public service. These additional amounts are, of course, over and above the already large sums which we normally ask the Legislature to provide for this purpose, and may be regarded as representing a special effort to speed up the process of enlarging and improving the public services. I do not, however, delude myself with the belief that even these large sums will meet the demands and desires of our Newfoundland people, for one of the most striking features of these ten years of Confederation in the spectacular growth of public demand and public desire in these matters.

And now, Mr. Speaker, against the setting of what I have said, I give you an outline of the financial year that ended on the 31st of March past. The house will remember that our estimate of revenue for that year, as contained in my Budget Speech, was \$48,953,000. My estimate of expenditure was \$48,886,000. These figures thus indicate a small surplus of \$67,000 for the year. I have no doubt at all that this result would have been realized but for the recession, depression, or whatever hon. Members may please to call it, that has swept across Newfoundland and the rest of Canada for more than a year. There was a very remarkable fall in the number of men employed in Newfoundland last year. Unemployment,

and consequently semi-destitution, increased very sharply indeed in this Province, as they did in some other parts of Canada and the United States. At all events, the Government found itself under the sheer necessity, if hunger was to be avoided, to spend an extra \$2 million on Welfare during the year. In addition to this unexpected increase in Welfare, we spent an additional \$650,000 for work conducted by the Department of Highways. When the year was over, we found that we had received a quarter of a million dollars more revenue than we had expected, but spent rather more than \$2.5 million over and above the amount we budgeted to spend. We thus closed the financial year with a deficit of \$2,297,000. The details of this will, of course, be laid before you in the Public Accounts.

On the Capital Account side, the house will remember that I estimated in the last Budget Speech an expenditure, exclusive of Refunding Costs of the First Victory Loan, of \$17,491,000, as against a Capital Account Revenue, as estimated, of \$1,682,000. This would have been, therefore, a net expenditure for the year, on Capital Account, of \$15,809,000. This was the estimate at the outset of the year, but it will be remembered that I warned, at the time, that money was so tight on the financial market in North America that the end result might be altogether different from the one indicated. This turned out to be the case. We therefore curtailed our Capital Account programme for the year and spent, not the amount of \$15,809,000 net that we had planned, but a net amount of \$12,809,000. This was a total of \$3 million less spent to improve and enlarge our public services than we ought to have spent, and that much less, of course, than I had budgeted for. While I am on this side of our financial affairs, I must express the same qualification that I did last year so far as concerns our Capital Account expenditure programme for the present year. Hon. members will find, as they examine the Estimates, that we are asking the house to vote considerable sums of money for improvements and enlargements of certain public services, such as roads, schools, hospitals, public housing, and so forth. These enterprises will run into a total of many millions of dollars, and the question naturally arises: what are the actual sources of

revenue to meet these expenditures? The sources are, of course, the perfectly normal sources of Provincial Government revenue, together with the anticipated award by the Parliament of Canada under Term 29, together with the proceeds of any bond issue we may find it desirable to place on the market. It may turn out, before the year expires, and before all of the projected expenditures shall have been incurred, that the anticipated revenue to meet these expenditures will not materialize. In the case, we will be confronted by two possibilities; one, to increase the value of our bond issue, and two, to decrease the amount of our expenditures. Should the anticipated \$13 million, more or less, recommended by the McNair Commission not in fact be paid over to us this year on the basis suggested to the Government of Canada by us, then the resulting shortage of approximately \$13 million would obviously strike a mortal blow at our Capital Account programme this year. Turning to the current year, I estimate that revenue will amount to \$74,140,000; expenditure will amount to \$59,323,000. On Current Account, therefore, I foreshadow a surplus of revenue over expenditure in an amount of \$14,817,000.

There are five items of revenue which account, in the main, for the increase of \$25.1 millions in anticipated revenue as compared with the original estimate for the last year. These five items are: Newfoundland's proportion of the Atlantic Province grant in an amount of \$7.5 million, which amount will be paid to us annually during each of the four years commencing with 1958-59; \$13,638,000 being the award recommended for payment by the Government of Canada by the McNair Royal Commission; a non-recurring item of approximately \$1 million arrears under Mining Royalties; the first appearance, in a net amount of \$2.5 millions, of Canada's contribution to our National Health Insurance costs and a betterment by \$1.5 millions in our recoveries from Canada in respect of shared Social Security services.

On the expenditure side, the net increase in total provisions of \$10.4 million compared with the original estimates for last year is made up, in the main, of increases under four heads of expenditure, that is, of almost \$2 million under Education, of almost \$2.2 million under Health, of \$3.5 million under

Welfare and of \$1.5 million under Highways. The Education provisions have been increased, exceptionally, by \$250,000 in respect of Confederation Scholarships, of \$1.1 million to provide for still better rates of pay for teachers, and of \$470,000 for the day-to-day maintenance of schools operated by the various denominational authorities. Of the \$2.2 million increased expenditure under Health, \$1.7 is attributable to part of the direct costs of National Health Insurance. The total cost of National Health Insurance for nine months operation, inclusive of increased provisions for the operation of our own institutions as a result of the implementation of this plan, is \$6,175,000. The increased provision under Welfare expenditure is due to additional sums being provided under Social Assistance, \$2 million, and under Federal Provincial Blind, Old Age and Disabled Person's Allowances in an amount of \$1.3 million. Finally, the provisions in respect of the maintenance of Roads and Bridges has been increased from \$3.8 million to \$5.2 million which accounts, almost in entirety, for the \$1.5 million increase in Highroads Current Expenditure for 1958-59.

Capital expenditure for 1958-59 is estimated in a gross amount of \$22,445,000 or, excluding an amount of \$1,297,000 required over and above the accumulated Sinking Fund for the redemption in December, 1958, of the Second Victory Loan, a net expenditure on expansion and extension of public plant of \$21,148,000 compared with \$17,491,500 in the previous year.

We have made a material increase in the provision for the construction and paving of roads (almost \$11 million in comparison with \$4,600,000 in the previous year). There is, also, an increased provision of \$768,500 under Public Works, largely due to an expansion in the Health building programme.

Capital account revenue also reveals an anticipated increase, in a net sum of \$4,216,000 which is entirely attributable to the heavier contributions by Canada (by \$4.5 millions) in respect of the shared costs of the Trans Canada Highway.

The net capital expenditure, exclusive of refunding the Second Victory Loan, is thus \$15,250,000 (that is to say, \$21,148,000 less revenue of \$5,898,000.)

Our estimated Current Account surplus is \$14,817,000 from which must be deducted the overall deficiency for 1957-58 of \$2,172,000 leaving a net surplus of \$12,645,000. The difference between net capital expenditure of \$15.2 millions and the residual surplus of current revenue of \$12.6 millions is \$2,605,000, and this, together with the Second Victory Loan re-funding of \$1,297,000 yields a grand total of which we propose to raise, at an appropriate time, by a bond issue under authority which has already been given by this house. Mr. Speaker, Newfoundland will soon have completed her first ten years as a Province of Canada. Next year, after the 31st. of March, we will enter upon our eleventh year and the beginning of a whole new era thereafter. There is something peculiarly attractive about the first ten years in the life of man, a nation, or a Province. The ten years are hardly up yet, but already we have learned a lot about the facts of union. No one would argue that we made a mistake in joining up with Canada. I think that it would be all but universally agreed in Newfoundland today that it was the wisest move that we, as a people, ever made. The reality is that we did not make that move many years before we did. I think it is only simple truth to say that our decision to unite with Canada was a good one. This, however, does not tell the whole tale. Newfoundland is not out of the woods yet. Our problems have not disappeared, nor are they, all of them, solved yet. The mere fact of union with Canada has not automatically brought an end to our worries as a people and as a country. We never thought it would. What we did expect, and expect today, is that we would be welcomed into the union warmly and generously. We expect that the leaders of Canada, from the Prime Minister down, will make a positive effort to understand our situation, to sympathize with it, and gladly to offer generous co-operation and practical assistance in the battle we are waging to become a Province of Canada, not in the narrow constitutional sense alone, but in the sense of being a strong, prosperous Province with a population that enjoys at least the average of Canadian prosperity. We ask for no more — we will do with no less.

**Mr. Smallwood:** Mr. Speaker, I move this debate be adjourned.

On motion, debate adjourned.

**Mr. Spencer:** Mr. Speaker, I now follow the notice which I gave yesterday afternoon, and ask leave to move the house into a Committee of Supply so that I may table the estimates.

On motion, Mr. Speaker left the Chair.

Mr. Clarke, Chairman of Committee of Supply.

**Mr. Spencer:** Mr. Chairman, I beg leave to table a copy of the Estimates. Mr. Chairman, I move the Committee rise and report progress and beg leave to sit again on tomorrow.

Mr. Speaker resumed the Chair.

**Mr. Clarke:** Mr. Speaker, the Committee of Supply have considered the matter to them referred and requested me to report progress and ask leave to sit again.

On motion, report received; Committee ordered sit again on tomorrow.

**Premier Smallwood:** Mr. Speaker, in moving that the house, at its rising, adjourn until tomorrow, at three of the clock, I should like to say that we are extremely anxious, as always, to accommodate ourselves to the convenience of the hon. gentlemen across the way. It is for this reason we move the adjournment until Tuesday. Tomorrow the weather is forecast as being another day such as today, and I think that hon. members opposite will spend all day tomorrow and part of Saturday, Sunday and Monday studying these documents and speech and these estimates. So, therefore, by Tuesday they should be here (speaking figuratively) "with bells on" and ready to launch the great annual debate on the Province's financial position, and therefore, for as long as the house desires, to debate and do the business. We, of course, will have to remain here. There is no intention nor desire, in the least, to rush the debate because admittedly, I think, these are portentous matters that call for careful and patriotic consideration — that ought not be hurried — that certainly ought not to be rushed.

The Hon. Minister of Finance, in his modesty, asked me to say he would appreciate if the members of the house and his friends would meet him in the adjoining room, fol-



lowing the arising of the house to celebrate the occasion.

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

Tuesday, September 2, 1958 (Afternoon Session)

The house met at three o'clock.

Mr. Speaker in the Chair.

**Mr. Speaker:** At the last session of the house, the Premier rose to a point of privilege to complain against an article written by a reporter of the "Evening Telegram", which he said was inaccurate and misleading. The Hon. Leader of the Opposition supported the Hon. the Premier's contention. At that time, I said I might at some future date have a word to say regarding the press and Parliament. Perhaps now the time has come for that:— I am speaking as the mouthpiece of this Parliament, and I am not going to precipitate a debate at all.

First, I should like to say that nobody comes into this chamber by right, except the members who were elected here, duly elected. The press comes here, not by right but by privilege. As a matter of fact, for the first five hundred years no records of Parliament were permitted, no reporting whatsoever was allowed, until only two hundred years ago. Records are allowed now and reporting in order that the people may know what goes on in their Parliament. Therefore it is most important that reporting be accurate and that there be no misrepresentation whatever. Any misrepresentation is a breach of the privilege of Parliament and a breach of the dignity of Parliament. Now, on Friday, the debate which was initiated by the Premier relative to his complaint against the "Evening Telegram" again was reported in the "Evening Telegram", and in that newspaper the Premier was accused of shouting and bellowing. It seems to me that this article is not written in the dignified manner which should mark reportings of what goes on in this house. Any member who speaks in this house must of necessity speak in a loud voice, otherwise he will not be heard. To say a member gets up and "bellows" is, certainly, to give a misleading idea as to what did take place.

Now, I do not want to draw attention to

matters like that again. I want the press to report what happens here fairly and accurately. This house has the right not only to desire that, but to demand it —

As I said before, any infringement of that rule is an infringement of the privilege and dignity of Parliament and the house. For that matter, any Parliament can take steps to deal with those who infringe its privileges and its dignity, whether they are members of the house or whether they are not members of the house.

Unless a member makes a motion at this time, I do not intend that there should be any further action, but as Speaker, I am the mouthpiece of this house, and I am at all times governed by the wishes of the members. I trust this warning to this particular reporter, and to this particular paper will be sufficient, and that in future, the recordings of the house will be written by the reporters in a dignified and accurate manner.

#### Presenting Petitions:

**Mr. C.M. Lane (White Bay North):** Mr. Speaker, I beg leave to present a petition on behalf of the people of Englee, Little Harbour Deep, Williamsport, Canada Harbour and Hooping Harbour. The prayer of the petition is that a hospital be built in the town of Englee. At the moment we have a small nursing station there. As you know, this coast was originally the responsibility of the International Grenfell Association. They can no longer afford to erect more hospitals or cottage hospitals or nursing stations, and it has been the policy of this Government to assist them.

The little place we have in Englee, which serves that part of the coast, is totally inadequate and children, old men and babies are crowded together in two small rooms. I feel that, with the importance of the place and the work that is going on (the Canada Bay Cold Storage Plant gives employment, by the way, to sixty people) there is also other important work — a hospital is warranted. I hope that the prayer of the petition will be given consideration. As you know, these people have no connection with the outside world other than by water, and we have no roads in that area at the moment. So therefore, I think, we should be unanimous in giving them support in their prayer for some medical services. It is true that much

has been done. We have a hospital plane bringing the patients to St. Anthony, but there are often delays due to weather conditions, and much suffering still goes on in that area.

The prayer of the petitioners, then, is that a hospital or nursing station could be built to service that area. I have much pleasure in supporting the petition, ask that it be laid on the table of the house and referred to the Department to which it relates.

On motion, petition received for referral to the Department to which it relates.

**Mr. U. Strickland** (Bonavista South): Mr. Speaker, I beg leave to present a petition from my constituents who reside in the settlements of Redcliffe, Openhall, Plate Cove East and West. The petition is written in such form that I beg leave to read it as it is:—  
“Hon. Mr. Speaker and members, we the residents of Redcliffe, Openhall, Plate Cove East and Plate Cove West, in the electoral district of Bonavista South, do hereby request, through this petition to the hon. members of this Assembly now in session, that immediate steps be taken to extending electricity to the above named settlements, and that power lines be extended either from the King's Cove end or from the Princeton — Summerville section, whichever is the most convenient and economic to those concerned.

In making this request, we are not unmindful of the fact that, because of our sparsely populated rural position, such development may tend to cause certain financial strain upon the company concerned. Yet we are not unmindful of the fact also that we, the residents of this area, are taxpayers and thereby shareholders in the common cause of this Province, and are therefore entitled to at least a small portion of public services. Further, we are an increasing population, and down through the years we have made our contributions to this, our Island Home.”

Mr. Speaker, there is not very much I can add to this other than to say I heartily support the petition and ask leave to have it laid on the table of the house and have it referred to the Department to which it relates. On motion, petition received for referral to the Department to which it relates.

### Presenting Reports of Standing and Select Committees:

**Hon. J.T. Cheeseman** (Minister of Fisheries): Mr. Speaker, I beg leave to lay on the table of the house the annual report of the Fisheries Loan Board of Newfoundland and the annual report of the Newfoundland Fisheries Development Authority.

### Giving Notice of Motion:

**Hon. E.S. Spencer** (Minister of Finance): Mr. Speaker, I give notice I will on tomorrow move the house into Committee of the Whole to consider certain Resolutions in relation to the raising of a loan of \$14 million on the credit of the Province.

### Giving Notices of Questions:

**Mr. G. Nightingale** (St. John's North): Mr. Speaker, I should like to ask the Hon. Minister of Highways if any assessment has ever been made for the twelve miles of road between Torbay Road where the tar surface finishes and Pouch Cove? Has the actual cost of paving ever been assessed, and what comparison would apply in regard to the cost of ordinary repair yearly by continually putting material on that road and grading? I may say that, after September, when the kids begin coming to school in this town, and the thousands of cars that want to go driving week ends must go bumper to bumper on Topsail Road —

**Mr. Speaker:** Order, the hon. gentleman cannot make a speech on giving notice of question.

**Mr. Nightingale:** This is the question, Sir, I can give it, and then when I get the answer make a speech.

**Notices of questions on tomorrow given by Mr. Duffy; Mr. Hollett.**

**Hon. M.M. Hollett** (Leader of the Opposition): I give notice I will on tomorrow ask the Hon. the Premier or the Minister of Finance to give a statement advising the house why the salaries of the Deputy Minister of Justice, etc. —

**Mr. Speaker:** Order, that question is out of

order on the grounds that the Hon. Leader of the Opposition can ask that question when these items come before the Committee of Supply. At that time there will be full discussion, and the Leader of the Opposition can then raise that question.

**Mr. Hollett:** I accept your ruling, Mr. Speaker.

### ANSWERS TO QUESTIONS:

#### Question No. 61:

**Hon. G.J. Power** (Minister of Highways): Mr. Speaker, the answer to Question No. 61 and No. 68 are being prepared.

#### Question No. 62:

**Hon. W.J. Keough** (Minister of Mines and Resources): Mr. Speaker, the answer is in course of preparation.

#### Question No. 63:

**Hon. J.R. Smallwood** (Premier): Yes, Mr. Speaker, I have that. The Auditor General; Mr. G.J. O'Grady and Mr. F. Ronald Clarke. The salaries are as follows:— The Auditor General nothing because he is, of course, already obtaining a salary as Auditor General; Messrs. O'Grady and Clarke at the rate of \$8,900 a year. The work of the Commission will probably take several months, but it is at the rate of \$8,900 a year. The Terms of the Commission I table.

#### Question No. 64:

**Hon. B.J. Abbott** (Minister of Supply): Mr. Speaker, the reply to Question 64 is being prepared.

#### Question No. 65:

**Mr. Cheeseman:** Mr. Speaker, the answer to this question is to be found in the estimates now before the house. The second part of the question, the answer was tabled a few moments ago.

#### Question No. 66:

**Hon. G.J. Power** (Minister of Highways):

The answer to that question is in the course of preparation, Mr. Speaker.

#### Question No. 67:

**Hon. W.J. Keough** (Minister of Mines and Resources): Mr. Speaker, I think likely I would be the appropriate minister there. The information is being prepared in the Department and will be ready shortly.

#### Question No. 68: Tabled.

#### Question No. 69:

**Hon. J.R. Smallwood** (Premier): Mr. Speaker, that question is in course of preparation.

#### Question No. 70:

**Hon. J.R. Chalker** (Minister of Public Works): I have the answer to that question, Mr. Speaker.

(1) \$60,000

(2) None.

(3) None.

I also have the answer to **Question No. 71.**

(1) 85 acres — In the name of Her Majesty in right of Newfoundland.

(2) None.

(I think, Mr. Speaker, if you were interested in obtaining more land, you certainly would not give any publicity to it at this time.)

(3) No awards have as yet been made.

(4) \$491.50 — W.F. and J. Canning.

(5) Not determined — No arrangements made.

(6) The answer is "no".

**Mr. A.M. Duffy** (St. John's Centre): Mr. Speaker, may I draw your attention to the fact that one question I asked on the previous Order Paper does not appear on today's Order Paper, although the question has not been answered. It was directed to the Minister of Fisheries.

**Hon. J.T. Cheeseman** (Minister of Fisheries): Mr. Speaker, the question referred to by the hon. member for St. John's Centre gives notice that he will on tomorrow ask the Hon. Minister of Fisheries for the following information:— The Agreement between the Government or any Department thereof and the Fisheries Develop-

ment Authority Board relative to the remuneration of members of the Board. The answer is that the Government has not decided.

**Premier Smallwood:** Was not that on the Order Paper yesterday or was not the answer given at that time?

**Mr. Cheeseman:** No.

**Mr. Duffy:** May I ask the Minister a subsequent question:— Am I to understand the terms of employment of the members of the Fisheries Development Authority Board are similar to any other unestablished civil servant.

**Mr. Smallwood:** The hon. member is allowed to ask a subsequent question but he is not allowed to give information. He is allowed to seek it.

**Mr. Speaker:** Is there any answer to that question?

**Mr. Cheeseman:** I understand the members of the Fisheries Development Authority are not civil servants, within the general meaning of the term.

**Mr. Keough:** Mr. Speaker, if I may, I have here part of the answer to Question 57 on the Order Paper of August 28. This answer gives the general information that was asked for. It will be several days before a detailed reply can be furnished.

**Mr. Speaker:** The hon. Minister of Highways (Mr. Power) rose.

**Mr. Power:** Mr. Speaker, I have the answer to Question No. 50.

(1) 78 tons.

(2) six.

(3) 70 passengers can be housed, and in addition passengers can be carried on deck.

(4) 12 men. The ferry is operated at no cost to the Government. The operation returns are slightly over cost.

(5) The amount expended on the two landing places was \$223,442. The amount of money collected since March 31, 1957 — that would be a period of approximately a year and a half — The answer is \$75,836.

(7) 11,861. The number of passengers 408,197. A poor service.

(8) \$223,442.

(9) The sum was \$200. paid to Raymond Whelan, Jersey side for the site on the Jersey side.

(10) The answer is \$21,000. This was paid to Tidewater Construction Company, Limited, and that amount was included in the answer to (8).

(11) The answer is \$47,000.

(12) \$4,725.

(13) The answer is \$3,200. This was paid to Alberto Wareham Limited. Mr. Speaker, I also have the answer to Question No. 53, which I beg to table.

### ORDERS OF THE DAY: NEW PROVINCIAL BUILDING: LEGISLATION:

Second Reading of a Bill, "An Act To Provide For the Erection Of A Provincial Government Building."

**Hon. J.R. Smallwood (Premier):** Mr. Speaker; it was agreed between the Opposition and ourselves last week that the debate on this matter would take place at second reading rather than at the Committee Stage.

Before I go ahead with the few remarks I want to make on this matter, would the house and would you, Sir, bear with me (while I am out of order just slightly and for a very short while) in inviting the attention of the house to the fact that we have present with us this afternoon, as a "stranger" in the technical Parliamentary sense of the word, the gentleman who is the Federal Member for St. John's East riding in the House of Commons (James McGrath). I understand he has been visiting the Province in recent days and is taking a few days from his duties in Ottawa, and that he will return there soon to be in at the closing of their session. I am sure we are glad to see him here this afternoon. If I could express a personal word, I would prefer that he came here tomorrow rather than today, because I am hoping that the business that we will be transacting tomorrow will be of a type that would interest him very much and about which he could learn something valuable to Newfoundland to take back with him to his own house.

This Bill is to authorize the Government to give legal, Parliamentary authority, to do something that in fact we are already doing, i.e., to erect or have erected for us a great new Provincial building to house the departments of Government. The Building is to be the largest building of any kind in Newfoundland. It is to measure approximately six hundred feet in length. The three wings radiating from a central tower are to run four and I think perhaps five stories in height. But the main central tower is to run to a height of eleven stories, and the building, will be only the largest in Newfoundland but far and way the highest in the Province. The building is to be an extremely handsome one, extremely well devised and well built, and I think that every one will agree that the site of the building is one of the most beautiful that could be found anywhere in or near the City of St. John's.

Sir, at the present time the departments of Government of Newfoundland are found housed in a great many buildings, scattered throughout the City. Some are in the Colonial Building here, some are in the Court House. Then there is the Departmental building on Harvey Road and there is the King George V Institute, the LeMarchant Road Building and the Miller Building, the building formerly owned by the Newfoundland Clothing Company on Duckworth Street, the Executive Chambers, the Motor Registration Building and then there are five departments of the Government, Education, Health, Welfare, Municipal Affairs and Supply and Labour that are housed in temporary wooden buildings that happens to be the property of the Government of Canada and are held by us on a care and maintenance basis; and which we may lose at any time, such as in case of an international emergency, the Government of Canada having, of course, the right to take them back at virtually no notice at all if the International situation should deteriorate to that extent. Then there is the Parsons Building and the building in which the Housing Corporation and Tourist Development Board are housed. Finally, there is the Workmen's Compensation Building. Now there are other buildings that I need not mention because they are not affected, they will not be replaced by the new Confederation Building — Commercial Bank

Building and the building which houses the Government Laboratory, the Pathological Building in Maggoty Cove, St. John's East. (I still say Maggoty Cove).

**Hon. M.M. Hollett** (Leader of the Opposition): Where is that?

**Mr. J.D. Higgins** (St. John's East): Historically sound.

**Mr. Smallwood**: The hon. gentleman, being an "outport" man, and not having lived as long as this outport man has in St. John's would not be familiar with Maggoty Cove. That is one of the oldest and most historic spots we have in the Capital. Certain polite minded people would like to change the name. I do not agree — "Maggoty Cove" it was and should remain. I am glad the hon. member for St. John's East agrees with that.

The cost of operating the departments of the Government in all these buildings is pretty considerable, in two ways: (1) the money cost, and that is perhaps not the most important and (2) the cost in efficiency. The money cost is close to \$400,000 a year, to clean and light and heat these buildings to supply messenger service, telephone services — close to four hundred thousand dollars a year. In the new building the cost will be close to \$200,000 a year to do the same things, i.e., to light and heat and clean the building and provide messenger and telephonic services and the like. So that the actual saving under that heading — (now I do not suggest it is a net saving; but the net saving under that heading is close to \$200,000 a year). We do it for that much less than it is now costing us. That approximately \$200,000 savings annually will, of course, go towards the cost of buying the building. The annual cost to the Government of buying the building will be approximately \$650,000. It will be between \$650,000 and \$660,000 (I am speaking from memory, but I think my memory is good in this matter.) From that, of course, would be deducted the annual service that I have just indicated, which would reduce the annual cost to the Government for this building, on a cash basis, to something under \$500,000 a year, as to the cost of buying the building over a period of twenty-five years. Now, that is one saving, important, but not the most important. The

most important is the saving in efficiency, or in inefficiency, the reduction of inefficiency and the increase in Governmental efficiency.

Mr. Speaker, it does not take too lively an imagination to see that the operation of Government Departments in some fifteen or eighteen different buildings scattered all over the City of St. John's is a most inefficient system, and that by putting them all in the one building, under the one roof, accessible to each other and accessible to the Ministers, and the Ministers accessible to each other, and all of them accessible to the Premier and he to them, civil servants accessible to each other — All of that, I suggest, will make for much greater efficiency and the saving of a lot of time presently spent getting from one Department to another. That is within the ranks of the Government and the civil servants themselves. For the public of Newfoundland, it will be a very great advantage to be able to go to the one building with the knowledge beforehand that any one in the public service or in the Government can be found in the one building. That will save a lot of time, I think, for the general public.

The building itself, as I have said, will be large, will be very modern and very commodious and should suffice for many years to come, although not indefinitely. If Newfoundland grows as we think it will, the public service will grow with it, because the public, in years to come, will demand the performance by their Government of many things the Government are not presently performing. Things that are not Government functions at all today will one day become Government functions. That has been the trend for fifty years and we see no reason to doubt that it will continue to be the trend, and if it is, then, obviously the size of the civil service and the public service personnel will increase considerably in the years to come and that in turn will necessitate even more office space, office accommodations, than the new building will provide. Having that in mind, the area of land that has been obtained is sufficient to allow for very considerable increase in the size of the building in the years ahead. In the meanwhile the grounds are sufficiently large to provide parking accommodations for every civil servant, every member of the public service working in the building who

may have a car, and may wish to go back and forth to work in the car. It will also provide ample, quite ample, parking space for several thousand members of the public who might be visiting the building at any given moment, any given time in any working day of the week. I would suggest, Mr. Speaker, that when you add the number of cars that civil servants might use to get to work, and back from work, to the number that would be used at any given time by the general public in visiting the Government Departments, the total would come probably to four to five thousand. It certainly would come to several thousand cars. So therefore, very ample parking space is being provided in the immediate surroundings of the new building.

There is still room in these grounds to provide for landscaping and beautification of the surrounding area of the building — So that, in short, we will have a building that will be very handsome in appearance, very efficient in design, very commodious in function, altogether an assembly of building and grounds that will be strikingly beautiful and a credit to the Province of Newfoundland. We are calling it "Confederation Building." We hope that it will be opened for us in ceremonies next year, on the 10th anniversary of our union with Canada. We would naturally, all of us, I feel, want it to be noble and altogether exemplary building to mark the 11th anniversary of our union with the great Canadian Nation.

Now, the question may be asked — If the Government felt that they needed a new Provincial building, if they felt that they ought not any longer to be the only Province in Canada without a large Provincial building, why did they not just follow the ordinary, the conventional, course of calling and having designs made by architects and then calling for tenders for the construction of the building, and letting the contract to the lowest tender, or the best tender? In the ordinary course of events that is what happens, and in the ordinary course of events that is probably what will continue to happen, at least in the ordinary course of events. The Government will, in the next ten years, the next twenty years, have many buildings to erect. Doubtlessly, in the ordinary course of events, they will be built in the old way, i.e., calling tenders and award-

ing contracts to those whose tenders are the best. Why was it done differently in this case? Well, Sir, the first point I want to make to the house is this: — Although the technique we are following in this case is entirely new to Newfoundland, it is not new in the rest of North America. This is a case where a firm says to the Government — We will build this building for you at our expense. We find the money. We will raise the millions that are required (in this case approximately \$8 million). We will raise the money and we will be responsible for the bond issue. It will be our debt. The Government will pay us, annually, for twenty-five years, a sum of money sufficient to amortize the capital sums.

Now, Mr. Speaker, that method of financing the construction of public and commercial and industrial buildings is very widely followed in the United States. In the United States since 1953 the United States Government has had over twenty-five hundred buildings erected for itself, according to its plans and specifications, on a lease basis. That is, the United States Government, requiring buildings for all kinds of purposes, draws the plans and specifications of these buildings and then makes the deal with the contractors, all across the United States, under which these contractors erect the buildings and rent them back to the Government for the Government's purposes, at a price each year that enables the contractor to amortize the cost of the building. The United States Government presently are signing two new such leases every working day of the year. They are averaging between five hundred and six hundred new contracts for new buildings annually throughout every working day. They are already into the billions of dollars worth of value.

It is true that in Canada we are the first Government, Provincial or Federal, to follow this particular technique. Ours is not a lease-back, it is a buy-back. We do not lease the building at a fixed annual amount or semi-annual amount, in which case we would do it indefinitely, because if you lease a building you never get to own it. In our case we buy it back, we pay enough rent each year for twenty-five years not merely to have the use of the building for that period during which we are paying the money. We buy it back, and we own it out-

right at the end of the twenty-five years. As I said, in Canada, it is true, this method has not been used by other Governments. It has, however, been used by companies and many, many companies indeed. Many Canadian companies are having buildings put up for them by this same method. I will give some examples: The Bell Telephone Company of Canada; Imperial Oil; British American Oil; Prudential Life; the Underwood Typewriter Corporation; Imperial Tobacco Company; Simpson's; Woolworth's; T. Eaton Company; Dominion Stores; Westons (the Garfield Weston Organization); Westinghouse Electric Company; Park Davis; International Harvester Corporation; Continental Can; Paramount Theatres and a very considerable number of others use this same method. I am only giving a few cases to illustrate the point. Now the Newfoundland Government are thus far the first Provincial Government in Canada to avail of this method of getting a building erected without any capital cost for outlay, without having to incur any capital account, (or virtually no capital account) outlay. We are the first Government to do it. We are following a course which the Government of the United States has followed and continues to follow, and a course which some of the largest industrial, commercial and industrial firm in Canada have been following for some years past.

If you were to have the plans and specifications of this building drawn, and have them advertised among contractors, and have contractors submit their bids for the construction of this building and let the contract to a contractor to build it two things would follow: — (1) We would have to float a bond issue to realize the funds with which to pay for the building. Two things may be said about that. We would undoubtedly get a lower rate of interest on that bond issue, on the \$8 million say, needed to erect the building, than a private company would get. We would get a better rate of interest than a private company would get even if the private company's bonds were guaranteed by the Government. The Government's bonds always get a better rate of interest than Government guaranteed bonds. The house is well aware of that — But what would be saved in interest rates on bond issues floated by the Government, as against the bond

issue floated by a private company, would almost certainly be lost (and I would almost drop the word "almost"). It is almost certain, however, that the saving made in the lower rate of interest would be more than lost in the greater cost of getting the building built, because it would be a most unusual thing for any Government, anywhere in North America, today or within recent years, say, since the end of the last war (and recent news would rather indicate the truth of what I am saying), which has been a period, until recent months, of steadily rising costs, steadily rising costs of production, steadily rising costs of transportation, steadily rising costs of construction, steadily rising costs in everything for any Government to get a building constructed, especially a large building for the actual contracted price; or if they got it constructed at the contracted price, then every contractor would want, in tendering for the contract, to make his price sufficiently large in the first place to cover the probability of price rises in these fields in the two years or so during which the building was to be constructed. For example: How could any contractor know what was going to happen to the price of labour, of wages, in the two years? What would he know what was going to happen in the price of materials? He would either want to put a covering price in his tender, or else ask for an escalator clause in the contract that would enable him to collect the increasing costs if these increasing costs materialized.

There is still another reason why we preferred to put up this building in this way. Although it will add something like \$500,000 a year, or something rather less than that a year, perhaps, to the cost of housing all the Departments of Government, although it will do that, adding to the current account cost of operating the Government departments, it will add nothing to the capital account of the Government, that is the public debt. We can by this means have an \$8 million building provided for us with no outlay, no initial outlay by us, by paying annually so much a year for twenty-five years, and without adding to the public debt, without increasing the funded indebtedness of this Province.

The method is so good that we have asked the firm, (which is, I may say, a combination of Canadian and United States companies,

the United States one in particular, Hansen and Hansen, being a firm that have put up many, many buildings across the United States — the Canadian firm of George F. Whitney, being the Canadian representative of this American firm) we have asked them to look into the question of the University for us. The plan of the Government has been to erect at the outset three buildings for the University, an administration building, an arts building and a science building, or three buildings to house Administration, Arts, Science and the Library. It was indeed our plan, in that connection, to insert in this year's estimates the sum of \$1 million for the present year. We have not done so because, in the meanwhile, we have become very familiar with this system, this new system, of getting buildings erected. We have asked them to give us the estimates and firm figures for which they would be prepared to erect, not the first three buildings of the University, but the whole University. In other words, from beginning to end have the one contract to build the entire campus of the University. We will have word on that within a week or ten days, because it has been going on for weeks past, and they will be ready to report to us within a very short while from now.

Sir, there is one other aspect I must deal with. It is this: — I tabled here on opening day of this part of the session the proposals by the Whitney-Hansen people to the Government. These proposals were plans (a), (b) and (c) and (d). The Government, over a period of a good many weeks, considered these plans, considered the merits and demerits of the respective plans. We came, in the end, to feel unanimously that (or that is not the word) to feel quite positively that plan (d) was the best one. But we are not willing to trust our own judgment in that matter, so we submitted the four proposals (a) (b) (c) and (d), made by Whitney-Hansen, to Central Mortgage and Housing, to Dr. Stewart Bates, the President of Central Mortgage and Housing Corporation. Dr. Bates not only examined the plans, but sent for Whitney-Hansen engineers, architects and the like to come to them and answer questions, which they did. As a result, they virtually recommended Plan (d). Now the Opposition has received this correspondence. I tabled it here on Wednesday past. They had opportunity, doubtlessly, to



read it, and they will agree that what I say is correct. Dr. Bates the head of Central Mortgage and Housing, which is the Canadian Government's arm for public housing land, which has had enormous experience in these matters, virtually recommended Plan (d).

At the same time, they pointed out one weakness in Plan (d). Plan (d) does not call for competitive bidding, that is between Whitney-Hansen and the Government. It calls for lots of competitive bidding, as between Whitney-Hansen and the various contractors. For example: — The excavation and pouring of the foundations have been done by a local contracting firm. That contract was awarded by Whitney-Hansen and not by the Government, to a local firm, Newfoundland Engineering Company, the one with which Mr. Crosbie is associated, I think, that is the name. They won that competitively. They got the contract on the basis of competitive bidding. Similarly, when they come next, as they will do any day now, to the awarding of a contract to some firm to erect the steel, to put up the steel structure, (which will begin now almost any day) that again will be awarded not by us — we are not building the building. The house will understand the Government are not erecting the building. Whitney-Hansen are erecting the building. They will award the contract for the erection of the steel to some other firm, and so will all other contracts for construction be given to various firms as contractors. It was pointed out by Dr. Bates that the one weakness in the Plan (d) was that there was no competitive building as between the builder, that is the primary contractors, and the Government. We realized that. We saw that very clearly before Dr. Bates pointed it out to us, but his pointing it out drove it home very forcibly.

We then wrote a letter to the one firm in the world that has had experience in the cost of erecting buildings in and around St. John's, the one firm above all firms that has had experience in costs of public buildings and other buildings, churches and schools and other types of buildings, that the firm of Architects, Payne, Lawson and Betts. Incidentally, Mr. Payne himself is a Newfoundlander who was born, I think, in Brigus, and who is the head of that great firm, one of the greatest firms in Canada. They built, I think, Cochrane Street Church down here.

They build the old Methodist College, they built the original university, they built the wing on the Mental Hospital, they designed the one on the General Hospital, long before our time, long years before the Commission of Government came, indeed they were building in St. John's and primarily in St. John's — They are doing the university. They are doing the Federal Building for the Canadian Government on Duckworth Street, a great new Customs Building. Anyway, the point is, this is a firm which for thirty years has been putting up buildings, at least devising buildings and superintending their construction and costing them. We sent them the report and the proposals and plans (a), (b), (c) and (d). What we wanted from them above everything else was their report on the cost, because at this very moment and for two years past, this firm of Payne, Lawson and Bates of Montreal have been doing the costing of the new University. So that they knew to within a few dollars what a building ought to cost. Their report came back, and I have tabled it here in the house. It says that these prices suggested by Whitney-Hansen are extremely realistic, or words to that effect.

Then I got a report from a firm, a financial firm, Peat, Marwick & Mitchell. Peat, Marwick and Mitchell pointed out the same thing. I think I tabled that too, did I not? They all pointed out the same thing and all agreed, Central Mortgage and Housing and Payne, Lawson & Betts and J. C. Thompson. Thompson is the principal financial advisor of the Government. All three agreed that plan (d) is the best and is a good plan, with the suggestion, however, from Central Mortgage & Housing, Dr. Bates, that there is a weakness in plan (d), that is, that the price of which they are prepared to put up this building is not a price arrived at competitively by competing with other firms who might put up the building in the same way. So that, on that one point, we sought the advice of one firm in the world above all other firms that had long experience and late experience, contemporary experience, that is, experience in the cost of erecting the Customs House (Sir Humphrey Gilbert Building) on Duckworth Street. They have that experience because they were the ones who costed that building, and contemporary experience because it is they who have costed the proposed Univer-

sity, in fact designed the building and have drawn up the specifications and costed it. So that from them we have had an opinion on this one weakness in the plan, as suggested by Dr. Bates. Their recommendation is that the price for which we can get this building done is realistic and fair. Now we do not ask for anything more. We do not ask for better than having a realistic and fair price.

Mr. Speaker, I do not know if there is anything else I can add. When we come to Committee of the Whole, hon. members of the house, especially the other side, who desire additional information, we will give it if we have it, and if we have not got it, and I think we have, we will try to get it for them. But we think this is a building in which all members of this house, on all sides, will have pride and in which all Newfoundlanders will take great pride. Indeed, it will be a credit to Newfoundland and will be truly a noble monument to the first ten years of Confederation with Canada.

**Hon. M. M. Hollett:** (Leader of the Opposition): Mr. Speaker, it is not my intention to take up too much time on this particular Bill. As I understand it, the principle of this Bill is to give the Government authority to go ahead and build a Provincial building. Well, after hearing the Premier I do not see that I can find it in my heart to oppose the main principle of the Bill, but as I go along I think I shall have to mention one or two things to which I am opposed. We all know that a public building would be a grand thing, the one public building, Provincial Building, to take care of the various Government departments. It would be an excellent thing. As the Premier pointed out today, the departments of the Government of Newfoundland are scattered to the four winds of St. John's.

**Premier Smallwood:** I have never heard St. John's substituted for Heaven before. "The four winds of Heaven."

**Mr. Hollett:** Many people find Heaven in St. John's, Sir, and don't have to go to Roache's Line to find it. But it is difficult for our people in the outports, who come in here in St. John's, to find some of the places. They are stowed away in all sorts of cubbyholes and everywhere else. The various commissions, particularly the Loan Boards, you have a hard job to find. I have a hard job

myself, and never got anything out of them. The various departments are scattered and split up. I really do think the sensible thing for us as a Province is if we could have one Provincial Building to house all the various departments and as many as possible of the civil servants. Although I must say to the Government, if you are going to build a public building, if you intend to increase the number of civil servants in the way they have been in the last four or five years, you had better make plans for expansion of the public building. But it would be a grand thing to have the whole affair in one central area.

Now, of course, Sir, it is clearly defined here, clearly defined in a letter, I believe, to the Hon. the Premier (in the preface of this report from G. F. Whitney) and I content myself with reading just the last paragraph of that preface. This is what Mr. Whitney says. He is speaking for G. Whitney Limited: — "This report is respectfully submitted with our sincere thanks for the opportunity and privilege of serving your Government and the hope that its favourable consideration may result in the completion of a project which will remain a memorial to the present Government of Newfoundland in the tenth year of Confederation."

Now, Sir, we of the Opposition should be against the principle, if that is the principle of the Bill. If the principle of this Bill is to erect a \$17 million (the Hon. the Premier said \$8 millions. I will say it will be about \$17 millions) — if the principle of this Bill is to erect a memorial to the present Government, I am against it. I do not agree with the principle because this Government, Sir, have attempted to build so many memorials during the past ten years, and as all of Newfoundland has had the unfortunate "privilege" if you like, of having to gaze at some of these memorials, then we fear that perhaps this particular memorial being built for the present Government may also not be very pleasing to the eye. Yes, wherever, you look, around the Avalon Peninsula at any rate, you still find memorials to the present Government. They started out by building boats, the Icelandic Boats — remember them. That was going to be a memorial to revolutionize our fisheries, to tell our Newfoundland people how to catch herring, etc., etc. I don't want to go back

over all that old story. To find a memorial you only have to go to Holyrood. I was out there yesterday and gazed with pain in my heart at the memorial there, Superior Rubber Company. Incidentally, that is still functioning. I happened to see a cheque the other day, made out by Superior Rubber for thirty or forty dollars. They are still functioning and still have money to pay out. Another monument is C.M.I.C., another beauty.

**Mr. Speaker:** Order, I think the Hon. Leader of the Opposition more fittingly bring up these matters in the Budget Speech.

**Mr. Hollett:** I agree, Mr. Speaker, I shall bring them up again then. As I was saying, if the function of this Bill is to erect memorials to the present Government then I am opposed to the principle. I say that, Sir, in a jocular mood, because I feel it is not the intention to try and add another memorial. Times are too stringent at the present time to try and erect memorials. But I do feel we ought to mention one or two things with reference to the manner in which the Government has gone about the erection of this building. The first thing we knew, the first thing I knew about this memorial, at any rate, was when somebody informed me there was work in on the Higgins Line and asked if there was any chance of getting a job there. Well, whoever is building it was not very favourable to the idea of giving jobs to any friends of mine at that particular time. But I did manage to have them change a little bit later.

What I am getting at is this: — Is the Government, or is any Government, justified in going to work and committing this Province to an expenditure of \$17 or \$18 million without having first brought that matter to the House of Assembly, and having the matter thrashed out and getting the sanction of the house? Is it not right and proper that sanction for such expenditure should be obtained from the House of Assembly before proceeding to build; I know that in some of the other monuments that the Government erected, they would go ahead and build and then come back and ask for sanction — But look what happened. That in itself makes me pause. If this Government had gone ahead and engaged this firm to give them

plans (a), (b), (c) and (d) that would have been alright; if these plans had been submitted to the House of Assembly and sanction given before the Government went ahead. But what did they do? They engaged, or somebody engaged, the services of the Newfoundland Engineering and Construction Company who went in there and, Sir, if you have not been in there I suggest you go in. It is quite a big job of work there already, there just must be thousands if not hundreds of thousands of dollars already spent on the project, and the foundation is pretty nearly complete — Now it is brought here before us in the House of Assembly, the people's representatives, to give the Government authority to go ahead and do it, after spending hundreds of thousands of dollars already, not only in plans but in construction. I say, Sir, I am against that particular part of this Bill — if I can involve that in the principle of the Bill — It is unfortunate that this Government, at the present time, and not only at the present time, but for many years past, several years past, have been in the nasty, nasty habit of doing things first and then coming back and looking for authority to do it.

Now, I think the Hon. the Premier who knows the rules of procedure and the rules of Parliament better, I suspect, than any other man in the house, I think it is unfortunate he should allow himself to fall into that evil mess, that evil procedure, I call it, of doing something, going ahead and doing the job, or having done it, then coming to the house and asking to have it sanctioned. That is not the correct way. Now that is involved in this Bill, Sir. As I say, many hundreds of thousands of dollars have already been spent. The credit of this Province is at stake, and has been pledged, and we the people who are sent here by the voters have not even been asked whether or not we think it is right. Yes, I am in favour of a Provincial Building. Another thing is this: — Is it the correct time? Is it the correct timing, Sir? We all know great things are pending, we hope, with regard to the financing of this Province. We are hoping that great things will come from Term 29. I take it, Sir, you have heard of Term 29? It has been mentioned on several occasions. I am wondering if this is the time, when we are sort of tangled up, to tie up the credit of our country to the tune of \$17 million on a

public building, when we are wondering just what is going to happen. In the Budget Speech, which we heard the other day, the Minister said it would be (he did not use the exact words but implied) disastrous if we did not get such and such. I am wondering there, is it the correct time?

Now, these are only criticisms, Sir. As I say, I would like to see the building there, and feel sure it is going to be there. It is already partly built, the plan has already been made and agreements have also been made too, Sir, because, did not the Hon. the Premier in his statement a few moments ago, state the Government did not engage the Engineering Construction Company? No, I think it was stated they were engaged by Whitney & Company or Hansen & Hansen. So, if they engaged the Newfoundland Engineering & Construction Company, and they allowed the Newfoundland Engineering & Construction Company to go ahead and spend several thousand dollars, then they must have the contract in the bag. However, would it not be terrible if anything arises tomorrow, this week or before this Bill becomes law, and this Government were thrown out of office, Messrs. Whitney, and Hansen & Hansen would find themselves in an awkward position, would they not?

Then again, Sir, I want to refer for a moment to the money which has been spent. There is no question that money has been spent. I feel quite sure, in spite of the fact that Hansen & Hansen have engaged the Newfoundland Engineering & Construction Company, the Government have spent money on this new building. I say, they did not have any authority to do it. If you look at the Revenue and Audit Act and if you go to Section 42 — "The Comptroller shall see that no payment nor commitment for the payment of any public money" (and I maintain public money has been spent on this new building)... "The Comptroller shall see that no payment nor commitment for the payment of any public money (a) for which there is no legislative appropriation."

**Mr. Smallwood:** We have not spent any on it.

**Mr. Hollett:** Nothing has been spent? Nothing has been spent on getting these ready?

**Mr. Smallwood:** That is another thing.

**Mr. Hollett:** You could not start the building without that.

**Mr. Smallwood:** That is right. You cannot have Tuesday until you have Monday.

**Mr. Hollett:** That is a very good way to describe it — But you have paid money for that?

**Mr. Smallwood:** Yes.

**Mr. Hollett:** Without any legislative appropriation. Mr. Speaker, that is what I am saying — It is in the Comptroller's duty — I am quite sure the Comptroller we have in Newfoundland today is quite capable of exercising his rights and power, I say this for him. He is Comptroller of the Treasury — But of course I have no doubt he finds it very difficult to get along these days.

**Mr. Smallwood:** All Comptrollers do, with all Governments.

**Mr. Hollett:** "The Comptroller shall see no payment nor commitment is made (b) for which no other appropriation has been provided ... and that no payment of any public monies is made which is in excess of any portion of such appropriation." Well, there was no such appropriation. "Which is in excess of such sums as may have been deposited with the Government of the Province in trust of any person. He shall report to the Board any case which comes to his notice in which liability has been incurred by any Minister, Deputy Minister, or other office or person which contravenes the provisions of this Act." Now, who are this Board? I strongly suspect and would not be surprised but that the Hon. the Premier is on that; and I take it the Comptroller reports to the Hon. the Premier that no such authority was provided, and something is done about it. I take it the Comptroller was overruled by the Government and the money was spent. There is another observation I have that is very important today. We were given certain information in regard to these various plans (a), (b), (c) and (d), and I have read them all very, very carefully. The Premier has told us that Plan (d) is the one which is likely to be accepted by the Gov-

ernment and put into being. Now under Plan (d) this public building is to cost or is to be built at a cost of some \$8 million and we have to pay down some \$250,000 to start with. I strongly suspect that has been paid down.

**Mr. Smallwood:** None of it.

**Mr. Hollett:** None paid down, and yet the building is started — We have to pay another \$200,000 or \$300,000, I believe, at another stage in the game and then for the next twenty-five years we shall pay something like (is it?) \$700,000 a year, bi-annually, for the next twenty-five years. I think that goes up to something like \$17 or \$18 million.

Well, what I say is this, Sir: — No Government of a Province as small as this, as small as we are, of a Province which is looking to the Federal Government for help to finance us over the years to come, of a Province who today gave notice of a motion to raise another loan of \$14 million and a Province, Sir, which paid out \$6 million, Sir, last year for social services and social assistance. No Government, I say, where these conditions exist, has the right, in my opinion to involve the credit of this Province to the tune of \$17 million over the next twenty-five years, without first having come to the House of Assembly, the people's representatives, for the necessary authority. These things, Sir, I am sick and tired of seeing them happen, and I do not see why the Government needs to do it. The Government certainly can call the house, almost at any time, particularly in regard to something as large as that amount of money. I scorn any Government, particularly this one, for doing such a thing, and I am very sorry the Government has done it.

There is no particular hurry, no urgency. If there were urgency, yes, the Government would have the right to go and get special warrants from His Honour the Lieutenant Governor to get the necessary money to pay for that book, if that is all they paid for — But there was no urgency, no particular urgency. It will take two years to do it anyway, and the house will probably meet again, and well may meet again, within the next two years — who knows — While I am on that point — Oh, yes — "While I am on that point" I think I had better leave that for tomorrow, say or the next day. We have

been adjourned for a long time. I hope to have something to say on that later.

There is one other thing I want to say, and in this case I am not being critical, I am complimenting the Government. I read very carefully the statements of the Central Mortgage and Housing and I read the letter from Payne & Company and I read the letter from the two other firms as well, and I do agree they all have been pretty fair reports, and I do agree that the Government made a very careful investigation into the cost, and I only wish that in all previous monuments the Government had endeavoured to do the same kind of costing and find out just what was at stake there. I think in this they have been very wise, and I am very happy to say personally (I have not had an opportunity to speak to my colleagues on that, but I do hope I can have their support) I think the Government made a splendid effort in endeavouring to find out what this building would cost. I was in there yesterday. As a matter of fact, I wanted to see it once before I came here. I took a look at the foundations — By the time that building gets up to eleven stories we are getting something for our money, which we did not get in lots of other monuments which members on the opposite side erected. We did not get too much for the money in a lot of cases — Here, I think, we are going to get something.

While, as I say, I deplore the fact the Government went ahead without first obtaining the sanction of the House. I deplore the fact the House was not taken into the confidence of the Government — the Government did not take us into this confidence — I see no reason for it particularly at this time — still I do say, we need a public building. The ramifications which exist here in St. John's now with regard to the disposal of our civil service are terrific. I am quite sure, if the Premier says (I have no reason to doubt) we are going to save \$200,000 a year on upkeep, then I say that in itself will reduce considerably, perhaps to the tune of \$5 or \$6 million the amount of \$17 million which we will have to pay out over the years. Of course it can only save what the saving will be. The Premier says \$200,000 a year. It may be so and may be not. I think we ought to save that much because it does cost a terrific amount.

Now, Mr. Speaker, I do not intend to take up any more time. As I say, I am not against the principle of a Provincial Building. What my colleagues will say — We have not had a chance to talk much about the principle of the Bill — I think that most of us would agree, we would love to have a Provincial Building but, can we afford it at the present time? If we can afford it, are we going about it in the right way? If we can afford it now, why can we not use some of that \$14 million the Minister asks for, and put it out to tender and pay for it in that way? The answers to these questions will be given, I take, in the Committee stage, but I certainly am not against the principle of having a decent Provincial Building erected here in St. John's. God knows, if we don't soon have one fast, the time is going to come when we won't have much — I tell you, Mr. Speaker, I am worried about conditions as they exist here in St. John's. Here we are the eastern most port of Canada, and if a ship came in here today they could not land a barrel of apples. There is something wrong, something radically wrong with that, something radically wrong. I don't want to go into that, but this old City of St. John's, which had had people living here longer, I suppose than have been living anywhere else in Canada for sure and I think we ought to have something which would look very respectable. I do not mean it should be a monument to the present Government. No I do not mean that. I wish that man had not put that in there.

**Mr. Smallwood:** This is the first time I saw that.

**Mr. Hollett:** I think he let the Government down badly there. I wonder if the Government went to him and said: — Look, we have been here ten years, since Confederation, and we are still here, and we want something to mark us all down through the pages of history. I have no doubt, Sir, that was in their minds, and I have no doubt there will be a scroll probably in the Assembly Chamber, and the name of the Hon. the Premier and all the other names.

**Mr. Smallwood:** The Hon. Leader of the Opposition — be fair now —

**Mr. Hollett:** My name is on the monument out here, and I wish it were not.

**Mr. Smallwood:** Why?

**Mr. Hollett:** That is another matter — What are you going to do with that monument out there? Mr. Speaker, that is a monument to "One Hundred Years of Responsible Government," but I am glad my name is there. However, Sir, I do not want to waste any more time. I have said what I have said. I hope I have not hurt too many people's feelings. Still I say — Yes, let us get a Provincial Government Building, but let us be careful — This Act does not say we have to go right ahead with it now — Mr. Speaker, this only gives the Government authority to go ahead now. I want the Government to exercise due discretion and care as to the time when they shall start expending money on such a building. Thank you, Mr. Speaker.

**Mr. J. D. Higgins:** (St. John's East): Mr. Speaker, like my Hon. Leader I am rather disturbed about this building. I do not know why — There is something about it that — the explanation given this afternoon nobody can quarrel with — but I feel there must be something wrong.

**Mr. Smallwood:** Too good?

**Mr. Higgins:** Too good.

**Mr. Smallwood:** Especially in the east end.

**Mr. Higgins:** I can see — of course it is all very well putting up a public building — it is a good thing. It has a second effect which nobody has seen, and I can see — It is a plot on the part of the Government to put me on wheels. I have never driven a car, and it looks very much like I have to get a bus ticket or a car if this building is going to go where it is now. Insofar as the building of this contemplated structure is concerned, nobody can quarrel with it. I do not think anyone would argue that such a building is not desirable. But agreeing a thing is desirable and agreeing we can afford it at this particular time are two entirely different things. Is this the proper time? It is only a few days ago that we had the Budget Speech, which indicated a state of affairs,

and indeed a prospect for the immediate future, which is not, shall we say, as glowing as we have at times in earlier Budgets. The question is, can we at the present time go ahead with this project of this magnitude? Now it is quite probable that, before this matter goes through Committee and indeed before this debate closes, any misgivings any of us have on that score will be set to right. Quite truthfully, Sir, I do feel that just now may not perhaps be the best time for this building.

It has been stated that various departments of Government are living on borrowed time in their present locations, and that in the event of the heightening of the present situation, they might almost on a moments notice be turned out. I suppose that is a possibility, Sir, that we cannot discount. But with all respect, I do not think that was the immediate reason motivating the decision which has for all practical purposes already been made, because, as the Leader of the Opposition has said, this Bill today is really only the legal formality to, shall we say, ratify which is for all practical purposes already decided upon and already effected. There can be no doubt at all but that the agreement or some understanding, which I think perhaps would be a better word, has been arrived at, and the result of that has been translated into action, and the results of that action are apparent to anybody who wants to go in there. This debate is an observance of traditions, it is coming to the house to formerly confirm something that is in being today. But, Sir, I do say that while the idea is good we do not want the rest of the world to get the idea we down here are cultivating a champagne taste when we have a spruce beer income. The principle, I say, is perfectly agreeable. The practical working out of the Bill, it is the only thing which gives me personally any concern.

**Mr. A. M. Duffy:** (St. John's Centre): Mr. Speaker, before commenting on the principle of this Bill, I resent very much, (and I think my colleagues do also) but I particularly resent the treatment we received in being presented with this form. The other day when the Premier tabled some data relative to this proposed building, copies of various agreements and correspondence were also tabled, which certainly indicated little effort to give the Opposition members

any assistance in the short time in which we had to examine it. It certainly was not possible to do justice to it. This goes back to April 1957.

There had not been the slightest inkling on the part of the Government that had been contemplated, not to my knowledge anyway — I think it is in supreme contempt of the house for the Government to proceed with the erection of this building — and there seems to be no great objection to it — Nobody seems to be upset about it all — I understand the \$60,000 fees have already been paid out. With legislative authority? No. With the infringement of this particular Parliamentary rule. I think, as the Leader of the Opposition pointed out, in the Audit Act — I frankly think that this was contempt not alone for the Opposition but for the house. Possibly because of the numerical inferiority of the Opposition these things happen here. I think the conduct of the Premier and the Government should be condemned and in the strongest terms — I made that same comment in reference to another matter the other day. Now I take it, Mr. Speaker, this is going through anyhow; at least we have to pass our opinion on it.

The justification for a Provincial building would be from the standpoint of economy and efficiency, and despite the very plausible, extremely plausible, case the Premier puts up I know that from long experience there does not appear to be a logical argument at all. In spite of the fact all the correspondence, I say, pointed out that there were elements of unsoundness from the standpoint of economy, the structural freedom from the elements of competition being removed, and in spite of all the favourable aspects of this building, the fact does remain that it is not the most economical way to erect a building. I do not know if there is any argument about that at all — If you do it the easy way, and the Government does things the easy way many times — you have to pay for that privilege. This \$8 million building will probably run not less than \$17 million or \$18 million. I think the annual repayment amount of \$650,000 does not include landscaping or other work essential to this building after erection. Now again from the standpoint of economy —

**Premier Smallwood:** Would the hon. gent-

leman allow me? Has he computed what the building would cost if built under contract with the raising of a bond issue? It would cost probably even more. You cannot get a bond issue for nothing, and when you paid the interest and sinking fund you probably would have paid out even more.

**Mr. Duffy:** Well Central Mortgage and Housing pointed out it could be done on a cheaper basis.

**Mr. Smallwood:** The interest would be lower, but the cost of the building higher — paying lower interest on a greater cost.

**Mr. Duffy:** That is probably not necessarily so. But the fact remains it is not the most economic way to do it. Now, from the standpoint of efficiency, which again involves the economic aspect, I am given to understand several departments are not interested in entering into this scheme, and the Premier mentioned that the saving to Government, from the standpoint of Government offices, is \$200,000. From that \$200,000 — from that must be deducted the amount that it would cost to operate the number of departments which would not enter into the scheme.

**Mr. Smallwood:** No, that is a different figure. I have both figures. If the hon. gentleman would allow me — The Civil Defence, Commercial Bank, the Health and Welfare Clinic, Law Chambers, Museum Building, Government Laboratory are deliberately excluded, the cost of them. I mentioned these in passing. There will not go into the new building, and therefore the cost is not reflected in the savings to be made in the new building.

**Mr. Duffy:** I see. Now another thing too strikes me — it possibly may not be in order at this time — If I am out of order I am sure I will be brought to order very quickly — In considering the cost as outlined by the Premier, I was rather interested in waiting to hear some reference to the expense involved in the conversion of American funds. Now, at first glance I looked upon that as a loss, but I am not too sure I am right there because in the repayment of this handsome amount of \$8.5 million, with carrying charges and so on, that is over a

period of twenty-five years and American funds may or may not be less. They could be very well at a premium in a year or less — I am wondering if the repayments are to be made in Canadian currency or in American currency —

**Mr. Speaker:** Order! I think the hon. member might more properly bring up that point in committee.

**Mr. Duffy:** Yes, Sir. Well, Mr. Speaker, I find it difficult to oppose the principle of the Bill from the standpoint of desirable factors in this project, but once again I must register my protest against the use of the house as merely a rubber stamp, that is what it amounts to. There has been no authority given for this project, nor for the spending of \$60,000 public money, and we are here to confound a felony.

**Mr. Speaker:** I think the last words are out of order. I do not think the hon. member who just spoke meant that last sentence — "We are here to confound a felony." I think he meant something very different.

**Mr. Duffy:** My vocabulary is limited, Sir.

**Mr. G. R. Renouf:** (St. John's South): Mr. Speaker, in concluding the comments from this side on this proposed business of a new Government building, I would like to say at the outset that I would rise with much more enthusiasm to endorse the principle of this Bill if it read that the Government had planned or even had purchased a site for a new Government building. The site on which this proposed Government building has already commenced is a very good one. I understand the story of it was that the Hon. the Premier was on a corresponding height, on Signal Hill, and the panoramic view, and he glanced over the landscape and he found that the Gooseberry Land site was a desirable one. We read, I believe, at the turning of the sod that it was the Premier's very own idea. We are asked today to approve, in principle or otherwise, of this building which has already commenced. I too join with my colleagues on this side of the house in protesting against the methods used in asking us to do this now after the work has commenced and after the principle has already been in practise, and, in fact,



adopted by the Government. We find that considerable work has commenced. We are only in the position today of being able to comment on an accomplished fact. That is where our criticism lies in the main part. It is a weakness and a faith of an overwhelmingly majority Government to disregard their Opposition members of the house and, if they want anything, to go ahead and do it.

Now, in endorsing a principle it is a hard thing to classify the principle from the actual practical reports, as in this present case. If one has a dream that he wants a new house, if his wife has a dream she wants a new washing machine, a new frig, a new polisher, there is nothing wrong with the principle of giving it to her, nothing wrong with the principle of agreeing that such things are desirable and such things are for her benefit. But surely practical, sound common sense should enter into it. I want a lot of things. Every member in this house could do with a lot of things, but can we, in this life, get what we want, can we, in elected assembly gathered, decide that we should adopt such a scheme as proposed? I listened with interest to the Hon. the Premier at his best, with super-salesmanship, selling us again a wonderful scheme. I was fascinated, I must admit.

**Mr. Smallwood:** I have to take second place now as a salesman, I know.

**Mr. Renouf:** Second place. The Hon. the Premier knows he has to take first place as a salesman.

**Mr. Smallwood:** The hon. gentleman knows who takes first place as a salesman.

**Mr. Renouf:** I think I am thick headed today.

**Mr. Smallwood:** The hon. gentleman picked the wrong word.

**Mr. Renouf:** I could not, Mr. Speaker, pick the wrong word in application to the Premier — If he is not a salesman he is nothing. On his record in the past few years he has surely sold his ideas. In that sense I submit he is a salesman. It is not an inappropriate word. The point I was making was that I began to get enthused, I nearly for a mo-

ment felt that there is no element to this scheme that I can disagree with. I really felt that it was a grand conception, and in a way I admit it is a grand conception — but I don't give commendation to the Government for a grand conception. We have to focus our ideas and our plans and our schemes in relation to our means. History is filled with examples of grand conceptions, public buildings dotted the cities of Europe, yes, and statutes.

**Mr. Smallwood:** The latest word for that is "vision," you know, and not "conception."

**Mr. Renouf:** Vision comes from that, Mr. Speaker, vision can be coupled with the conception of an idea. I was going to say something there which may be a little out of keeping with the house. Be that as it may — "conception" or "vision" or "inspiration," whatever you like to call it, has come into this proposal of the Hon. the Premier. I say that these conceptions are by no means uncommon throughout the world. I was about to say the matter of equestrian statues dotting the cities of Europe, as memorials of Kings, Emperors and Popes; I think it is not an uncommon instinct of administrators, particularly in the declining years of their dynasties, to erect a memorial which no doubt would be a fitting one, as this one is conceived to be.

**Mr. Hollett:** Some of them were started in the first years of their dynasty.

**Mr. Renouf:** If this is to be taken as an indication of the decline of the regime, I think they are well justified in planning a monument, because one knows full well, Mr. Speaker, the populations of the countries have a tendency to forget the good work of past administrations — unwept, unhonoured and unsung is the feeling that runs through the course of history. Now, I do not want to get too talkative or be too long in my comments on this public building, but I was led to the conclusion, after hearing all the eminent names associated with the project, the bigger the project, the bigger the scheme the more eminent the names come, their credentials and qualifications all fit into the pattern we have heard before — I finally came to the conclusion; what is this building for, what do we want it

for? It came down to that clear, practical basis — What do we want it for? I feel, Mr. Speaker, this project, this proposed new building, we could get along for some time to come with the accommodations we have — Granted, as I said before, we were right in selecting a site, whether we have paid for it yet or not. But let me say that, agreeing with the Hon. Leader of the Opposition, can the outport man more readily find Gooseberry Lane than Duckworth Street, Harvey Road or anywhere else? There will have to be public transportation provided for him.

Then again, we note from one of these reports that the Premier himself does not desire to take up accommodations there. The Premier and his executive do not desire to take up accommodations there, nevertheless, of course, accommodations are still provided. Well, that may be coming events, future events — one never knows. The Executive Council office is not to take shelter under this roof. The Electoral Office is to remain where it is. I am not so sure about Civil Defence, whether that is moving there or not. Mr. Speaker, the Attorney General was of the opinion that the department might be more effectively operated if it did not move to the new building, and that the best interest of the Province would not be served if it became the practise for officers of the other departments to receive oral advice which would result if they merely dropped in to see a legal officer. The police, the custodians of our rights and our safety, are to remain in the old stand. The Department of Economic Development, is it to its advantage to go into the new building? I believe not — or the Liquor Control, are all branches to be included under that roof? I believe not. What, Mr. Speaker, are we to put in there, this great idea, this great plan, this great scheme? The last appellation I will reserve for a little later. There are many departments, as I said, not yet to go in there and probably will never go in there. So, if that is not duality of places, I do not know what is.

Now, I do not want to appear too sarcastic, but I cannot agree with anything other than the justification in acquiring a site. I do deplore, as I said before, the principle whereby we are asked at this late date to give support and consideration to a scheme which is almost a *fait accompli*. I do admit

the Government went about the procedure very thoroughly. I do admit they took all necessary and normal efficient and careful steps to prepare for the plan. They quoted advice from many authorities, and in that sense they were not reckless. I have not time, at the moment, to examine in detail the various schemes, but I understand from what the Hon. the Premier said that Plan (d) is to be the one adopted; Plan (d) which I believe is the packet scheme. In that scheme, I believe there is an immediate down payment of \$200,000 and another number of expenditures which are not already paid for and surely must be paid for sooner or later. I do not mind Mr. Speaker, whether a deal has to be paid for on the nail immediately, it is going to cost the money, be it sooner or be it later. I feel this can be a risky business. I never knew anybody yet going into the building of a house and building on any scheme of that sort who wound up exactly as the promoters and architects and contractors set forth at the start. I may be wrong and I hope I am wrong. I hope that this is a water tight scheme. I have yet to find anybody, in my experience, who has built a house who has not found himself up against greater cost and more expense than he wishfully thought at first. I feel that this picture is not quite complete. There is not yet the information on the cost of land. If it has not been paid for, Bill Rose is not going to wait forever for his money and the other somebodies who own the land will have to be paid in reasonable time. Then, the landscaping is not listed as one of the known costs or expense. Now everyone knows, Mr. Speaker, it will cost you approximately \$1,000 to landscape a lot 50 x 150 or 60 x 150. What is the landscaping or an eighty-five acre lot going to cost us? What is a question mark.

I realize that some of my remarks have not been too constructive, but it is our duty as members of the Opposition to point out the facts and to outline what the possible nightmares and booby traps might be. The Hon. Leader of the Opposition felt that, surely, the scheme could not become a memorial for the present Government. The very first time we turn the page of the Whitney report, the very first written words were the words of a memorial. The Hon. Leader of the Opposition said it could not be, surely, a memorial to the present Govern-

ment, and he said he could not believe that would be so. If, however, it is to be a memorial to the present Government, perhaps the sooner it is erected the better, and perhaps I could think of a suitable inscription — "Requiescat in pace" on the front door.

**Premier Smallwood:** Mr. Speaker, there are two or three points I ought to make in reply to my hon. friends who have been extremely useful, most useful, in their remarks and not all acrimonious. I think it is entirely clear they favour this very much, but being in Opposition they have to favour it tempered with a little criticism. But they think, really think, this is a splendid principle, splendid principle indeed. May I say, nothing has been paid on the building, nothing at all. May I say no agreement has been made, no agreement has been made.

**Hon. M. M. Hollett:** (Leader of the Opposition): The land is paid for.

**Mr. Smallwood:** That has nothing to do with it. The land has not been paid for. Even if it had been, it would have nothing to do with the matter. I say, no agreement has been made and will not be until this Bill is passed. So it is not what this last hon. gentleman suggested: a "fait accompli." It is not so. Nothing has been paid nor won't be until after this Bill becomes law. We have not paid for anything.

**Mr. Duffy:** You are obligated for the excavations.

**Mr. Smallwood:** We are obligated to sign the agreement if the house authorizes us to do it. If the house does not authorize us that is that, we have no authority. If the house does not authorize us to do it, we won't do it, we can only do it if the house authorizes us to do it.

**Mr. Duffy:** The Government has no liability?

**Mr. Smallwood:** The Government in that case cannot sign the agreement. If the house does not authorize us to do it. That is clear. I cannot make it any clearer. If the house does not authorize the Government to make this agreement the Government cannot and will not make the agreement. It

is that simple. There is no catch in that. That is the simple truth. So to describe it as a "fait accompli" is completely wrong and beside the point. We have paid nothing. All we did was to engage a firm to make a survey of our office needs. We paid a fee for that, and this house authorized it last session, the \$60,000 to pay the cost of having the survey made was authorized by this house and paid on that authority. Not one cent has been paid out yet in connection with this whole project except what has been authorized by the house. Now, all this argument that we are coming in and confronting the house with a "fait accompli," insulting the house, violating the Constitutional principles, if my hon. friends will allow me to say, good naturedly, is just "belly wash."

**Mr. Duffy:** May I ask you a question? I am not prepared to accept the position there is no liability on the part of the Government.

**Mr. Smallwood:** Yes, what is the question! Is it a speech or a question, which? I regret the laws of the house forbid the hon. gentleman making another speech at this time.

**Mr. Duffy:** In the event this agreement is not ratified by the house, the Government is not responsible and has no obligations for the money involved in the work to date, is that so?

**Mr. Smallwood:** I would refer that to the opinion of the law officers of the Crown. Precisely what liability is there legally for us to pay a dollar or a nickel or a cent, when in fact the house has refused, (if it refuses) to give us the authority to do so?

**Mr. Duffy:** You pay for the work that has been done?

**Mr. Smallwood:** The work done was authorized by the firm of Whitney, Hansen & Hansen. They entered into an agreement with the Newfoundland Engineering and Construction Company to have this work done for them. All the work is to be done for them at their expense. Now, they have great faith that this Legislature, in which, as is fairly widely known, the Government is supported by a majority of the elected members will, in fact, give the Government the authority it seeks in this Bill. They have

that faith, I have it too, or I never would have been agreeable to bringing the Bill before the house in the first instance. I never expect to bring any legislation before this house, never as long as I live, except in the complete faith, after consultation and after reference here and there, complete faith that the legislation will pass. Of course, if I ever do, if I ever misjudge, and legislation comes in and does not pass, then the Government fails, I hand in my resignation. So, to avoid that, I will always endeavour to make sure in advance that a majority of the legislature, the elected members, will indeed support the legislation that I introduced into the chamber. Now that is the simple, literal truth. We have made no agreement, paid no money. We ask the House to pass this Bill to authorize us to do both. The next point is this: — The hon. gentleman who spoke last, the hon. and learned gentleman, read out a list of departments which he suggested are not going into the new building, and it rather sounded for a moment as though about half the Government would be in the new building and about half not in the new building. Now, to get that half not in it, he recited a number of facts and rumours and allegations. He talked about the police. I conceded at once that the police were not going into the new building. I might add, the fire department is not going into it either but will remain in the various fire halls, which is a more useful thing for them to do than to go into the new building. He might have suggested the General Hospital and the Sanatorium. They too are not going into the new building, and there are other public services, the Mental Hospital is not going in either. Then he wondered about Civil Defence.

**Mr. Higgins:** The Penitentiary?

**Mr. Smallwood:** That is not going in there, but will remain outside the public building. Then he (Mr. Renouf) said — "But the Premier would prefer to remain where he is" — That is true. But the Premier will go into the new building and presumably the staff from the Premier's Office will follow him, and the Minister of Economic Development also may feel equally he would like to remain where he is. That is the natural conservatism of that Minister, but nevertheless he will follow the crowd into

the new building. The Attorney General, as you would expect, likes the thought of being down there next to the court. As Attorney General he is immediately next door to the court. But I suspect that the Attorney General and all his staff will follow the crowd into the Confederation Building. So that the only people left out are those who ought to remain out.

Now, I have only one other point, and this one the Hon. Leader of the Opposition raised, and which he raised repeatedly, and I have just as often given the answer to it. Parliament at Westminster is in session virtually all the year round. Parliament at Ottawa is in session for the greater part of the year, more than half of the year. Parliament here (we use the word Legislature in conversation, but we are as much a Parliament in our jurisdiction as the Parliament is in Ottawa in theirs) in Newfoundland is in session for about twelve weeks a year. This means that, for forty weeks a year it is not in session. I suggest, Mr. Speaker, again as I have often done in the past, that it is not practically possible for the Government, in time for its twelve weeks during which the house is in session, to think up, first to think up, and secondly to discover, everything that may happen for the forty weeks during which the house is not in session.

**Mr. Duffy:** I think this is an agreement dated in January.

**Mr. Smallwood:** Quite so. I am just making a sort of general statement. If it were practical for the Government to come into this chamber during the twelve weeks when it is normally in session, in the course of the fifty-two weeks, and lay before the house, in the form of legislation and estimates and a budget, everything that will happen or can happen in the fifty-two weeks, including the twelve weeks. If that were practically possible, then there would be no need of Governor's Warrants, there would be no human possibility or need for the Government to do anything except what had been specifically spelled out in the legislation, or the estimates in the twelve weeks during which the Assembly met.

But in actual fact, the governing of Newfoundland must go on for the fifty-two weeks and not only this twelve weeks during which the house is in session and thus it is

inevitable that the Government, whoever they are, entirely inevitable, as all parties find when there is a change of Government (the very crowd that criticizes when in Opposition are the first to come, when the sides change and they go into office, they are the first to come out rather shamefacedly and admit they were rather talking through their hats when in Opposition rather talking for effect as they had to criticize the Government) so they admit rather shamefacedly that all the condemnation they had for the Government doing things that the house had not in fact been asked to authorize and therefore had not authorized, is a very practical and a very necessary thing as much as they condemned it when in Opposition. The Government that goes out and becomes an Opposition just as lightly turns its back on all it said when it was in office for twenty-two years or twelve years or two years and condemns the new Government for doing the very things which they did when they were in office. Now that is the ordinary interplay across the floor. Let it not fool anyone here today.

**Mr. Duffy:** May I make a comment?

**Mr. Smallwood:** No, you are not allowed to make a comment, but ask a question. The hon. gentleman is bursting, I know, to make a new speech, but he should have thought of these things while on his feet.

**Mr. Duffy:** May I ask a question?

**Mr. Smallwood:** Certainly.

**Mr. Duffy:** Does the Premier seriously think that a project of major importance that goes back a year and a half had to be concluded without Parliamentary authority, that goes back to April 1957! There was no urgency at all.

**Mr. Smallwood:** The question as I got it was — "Does the Premier seriously thing."

**Mr. Higgins:** He does not.

**Mr. Smallwood:** A project of such importance, going back a year and a half had to be done without Parliamentary authority? No, he does not think that. That is why the Premier asks the house today to give second

reading to this Bill, to give this authority. In the meanwhile it is urgency in this sense only, that apart from the budget and the estimates, it is the only piece of legislation to come before this session. In that sense it is urgent.

**Mr. Higgins:** What about the monumental sense?

**Mr. Smallwood:** Well it is always urgent to erect monuments. Now I realize that the hon. gentlemen opposite are just as pleased over this new building as we are here; to provide Newfoundland with a building of which Newfoundlanders will be truly proud when Mainland Canadians or anyone else comes to Newfoundland in the future, comes to St. John's. We will have a building there that is magnificent, that is a noble structure. I have never ceased to wonder, every since I saw them at the Provincial Buildings in Winnipeg, Regina and Edmonton and Victoria. In 1905, Saskatchewan and Alberta became Provinces. In 1905 Newfoundland was quite a primitive place, but compared with Alberta and Saskatchewan, Newfoundland was a thickly populated part of the world and a highly developed part of the world, compared with these two Provinces in 1905, when they became Provinces. Yet, with only a handful of people, a bare handful of population, these two Provinces in their new provincial capitals erected provincial buildings which still today are among the noblest buildings in all Canada. The building at Regina is handsome beyond words, and at Edmonton it is the same. The building at Winnipeg, because it is build downtown in the heart of a sizeable city, is not quite so noble in appearance, but the one in Victoria is handsome in the extreme and on a magnificent site. But no Province in Canada, the older nor the newer ones, will have a a nobler Provincial Building than ours. It will stand out among all the Provinces of Canada. Now, will someone tell me why it should not? Why should not Newfoundland have the best Provincial Building in Canada, why should she not? We are the oldest, the most historic. We have nothing to be ashamed of down here, and a lot to boast of, and a lot to be proud of. That is why I do not pay too much attention to what the hon. gentleman and the Leader of the Opposition said (or

he did not say but just wonder) if it was just precisely the right time to put up this building. I say that, for some weeks past and probably for some weeks to come, there is a certain condition of uncertainty, extending over a period of a few months only in the long career of this Island — A period of just a few weeks of uncertainty as to what is to be the permanent amount we are to get annually, indefinitely in the future, and we must not allow our thinking about the future of Newfoundland and her needs and development to be effected by the purely temporary phase that confronts us at this moment in the matter of our public financing. Then again, it is precisely now, when a recession has shown itself in Newfoundland in Canada and in North America generally, it is precisely now that the Government of Canada and the Government of Newfoundland, both, and the city Government of St. John's if they can, if it is within their power, all three, precisely now, should launch out and use the public credit to provide the implements which private credit, which private enterprise is failing to do.

St. John's today would be a much more dismal place than it is economically if the Government of Canada were not building the handsome building downtown, and if the Government of Canada and the Government of Newfoundland and the city of St. John's, jointly, were not right now building homes in this new housing development in there, and if the Government of Newfoundland had not, right now, caused a private company to erect a huge new Confederation Building in there, just east and north of us. The employment is badly needed. I know that the members of the Opposition, in their hearts, are just as pleased over this as we are, and as Newfoundlanders and as people who are domiciled at any rate in St. John's, citizens of St. John's — (Seventy-five percent of the Opposition is native St. John's and the other twenty-five percent is a good honest out-harbour man who has lately taken up domicile here) — all four of them, I am sure, are proud to see the Provincial Capital graced by this handsome building, this magnificent building. Soon St. John's, Sir, with two noble cathedrals, one of them one of the finest examples there is in the western Hemisphere of Gothic Architecture and the other the largest, until recently, in all of North

America, some magnificent new school buildings, magnificent in the extreme and two handsome, great Federal Buildings going up, and gracing them all, bigger than all, handsomer perhaps than all, this monument to the people of Newfoundland, this monument to the whole population, Provincial and Federal and people of all places, including all Newfoundlanders; a monument not only to them, but a monument to the greatest fact of history that ever occurred in Newfoundland, the fact of our Confederation with the great Canadian Nation. Now the hon. and learned member for St. John's East was quite determined not to go ahead with the Budget Speech, I am helping him out — We can't have the Budget Speech today, Mr. Speaker, but do hope to give second reading to this Bill, and then start in on the Budget Speech tomorrow.

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

On motion, all remaining orders of the Day do stand deferred.

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

The house met at three o'clock.

Mr. Speaker in the Chair.

#### RESOLUTION, TERM 29:

**Hon. J. R. Smallwood** (Premier): Mr. Speaker, if I could have the unanimous consent of the house, I should like to move a very important resolution:

**Mr. Speaker:** Agreed.

**Mr. Smallwood:** Seconded by the Hon. Leader of the Opposition I beg leave to move the following resolution. RESOLVED: The House of Assembly cordially welcomes the announcement of the Prime Minister, Right Honourable John J. Diefenbaker, made in the House of Commons on August 15, 1958, that the Government of Canada would not accept the recommendations of the Royal Commission on Term 29 until they have had opportunity to give the matter more careful study.

The Prime Minister's announcement is all the more welcome to this house because of the reason he gave for it, namely, that there appeared to be dissatisfaction in Newfoundland with the size of the amount recommended. This house declares its warm appreciation of the Prime Minister's stand, and expresses the hope that it will result in a substantial increase in the size of the amount ultimately to be paid to this Province on a lasting basis. In the meanwhile, we urgently request the Government of Canada to seek, without delay, the necessary parliamentary authority to pay to Newfoundland, in the present session as an interim measure, at least the amount that has been recommended by the Royal Commission. This would enable the public services and the public works of the Province to be continued this year without interruption or reduction, and thereby preventing immediate widespread unemployment; and would provide ample time before the next session of the parliament for the Prime Minister and his colleagues in the Government of Canada to give that further study announced by the Prime Minister.

Mr. Speaker, I cannot begin to say how appreciative I am of the deep and broad patriotism of the Hon. the Leader of the Opposition and his colleagues in the Opposition in this matter of seconding and supporting this present resolution, which (if it is to carry the weight it needs to carry with the Prime Minister, Government and Parliament of Canada) ought to go from Newfoundland, not as a partisan measure, but one that is the unanimous and undoubted sentiment of the Legislature of this Province. Indeed, Sir, with the undoubted support of the people of this Province. And we here in this house, taking the whole of the house, both sides, speak for the totality of the Newfoundland people, and we can speak in this matter with one voice. We say that Newfoundland needs not only to have the amount recommended by the Royal Commission increased, but also to receive this year the amount that is recommended; pending that deeper and greater consideration which the Prime Minister has, inferentially, announced that he and his colleagues will give it.

Yesterday, the Minister of Finance gave notice here in this house of a resolution to be brought forward today for the raising of

a sum of \$14 million. That sum, Sir, if you deduct the cost of raising it and the necessary commissions that go with the floating of a bond issue, would leave the Treasury of Newfoundland a net amount of approximately \$13.6 million, which is the amount that this resolution asks the Government of Canada to pay us in the present season. That is to say, if for any reason, and there might be good reason, if for any reason the Prime Minister is not able at this time to accede to the request of this house, then, unless we are to stop the programme of road construction and paving, and the building of schools and hospitals, and the rest of the things the people want, we must otherwise raise the amount, and we think we will attempt perhaps to do it by means of this bond issue. I may say that the amount would supercede some existing legislation that authorizes the borrowing of funds, the floating of a bond issue. This proposed Bill would replace some of that and consolidate the position into one Bill.

Sir, between now and next January, when the Parliament of Canada meets, is a very crucial time for Newfoundland. We have yet remaining to us six or eight weeks during which public works can in fact continue, road work, construction of schools and hospitals and the like. But these things must be paid for. So we must—we have no choice, if they are to continue, but to raise the funds somehow, if we cannot get them before the Parliament of Canada meets next winter. It must be borne in mind, and I am sure my hon. friends opposite will not need to be reminded, that if Parliament meets around the middle of January, it could well be six or eight weeks perhaps, and possibly even longer, before it got around to dealing with this matter of the recommendations under Term 29. So that, if we do not receive this amount in the present session, it may well be that we can't receive this amount in the present financial year in time for it to be of any particular good to Newfoundland in the present construction season.

I am not at this time going to say a single word by way of substantiating our belief, the belief of this house on both sides of it, as expressed publicly in the press, that the amount recommended is inadequate to the purpose. I am not going to say anything at all today to support that view, because I don't think that this is the time nor the occa-

sion for expressing those views. I say only this. As the resolution points out, the Prime Minister had announced on the 15th of August his intentions not to proceed then or now with the implementation of the recommendations and he gave us his reason—His reason was the fact that (and I use his own term there) "there appeared to be amongst Newfoundlanders dissatisfaction with the amount that had been recommended." I have no doubt that he was referring to the public announcement made by the Leader of the Opposition and me, separately and independently of each other. And I have no doubt whatever that the Prime Minister and his colleagues will, as the leading statesmen of Canada, as the Government of Canada, give this matter careful and good consideration. And I am content, for the present I am content to leave it at that.

What I do say, however, is that in the meanwhile, while we wait for the Prime Minister and his colleagues (men who carry, whoever they be at any time, tremendous burdens of public responsibility, and whom time presses terribly so that it becomes always increasingly difficult for them to find the moment in which to do the endless number of things they have to do) to give it their good and sympathetic attention. I am willing to leave it at that. In the meanwhile, however, as the recommendation says, it is urgently needed that Newfoundland receive now, this year, this season, this present time in the next week, two weeks, month, two months, this present summer, the amount at least that has been recommended. We may hope that, in fact, the amount which will finally be paid will be something more than the amount recommended, certainly not less. So we will ask that at least the amount that is recommended be paid to us now in the near, in the early future. I do not know that there is anything more I can say at this juncture. I do not know that there is anything more I need say beyond repeating what I said at the outset, that I appreciate, as a Newfoundlander, appreciate deeply, the patriotic, sympathetic, high-minded and unselfish position taken in this matter by the Leader of the Opposition and his close colleagues in this house. I think it will be a matter of universal sentiment in Newfoundland, throughout the whole Province. Mr. Speaker, I move the resolution.

**Hon. M. M. Hollett** (Leader of the Opposition): Mr. Speaker, in rising to second this motion, and to indicate our support for it, first let me say that I thank the Hon. the Premier for the kind words which he has said about the Opposition. He is not in habit of doing that too often—So we want to thank him for that. Sir, I want to say, we on this side do not usually support motions presented to the house by the Government. I may say, Sir, that our decision to second this motion, and to support it, was not made unthinkingly nor without due consideration and thought, for the past twenty-four hours or so. We not only had to consider ourselves as an Opposition, and the repercussions of an agreement with the Government politically. We had to consider, Sir, we had to put ourselves in the position of the Government, who brought down a budget which included an amount which was recommended by a Royal Commission, set up by the Federal Government, and who find themselves (as we would have found ourselves if we had been on the Government side) desperately in need of being able to place their hands on monies which they had allocated as far as the budget was concerned. We had to consider, therefore, in the words of this motion, the situation with regard to labour and employment or unemployment, if you like, and the various public services, health etc., and we had to ask ourselves what would be the end result if we, as an Opposition, did not do our duty, not only as an Opposition but as the elected representatives of the people of this country. We decided, therefore, Sir, that we had to give this resolution our whole-hearted support. As is well stated here in this resolution, this would enable the public services and public works of the Province to continue this year without interruption. And, God knows; Mr. Speaker, if there ever was a time when public services and public works had to be continued without interruption, now is the time. Everybody in this house knows the economic conditions at the moment in this Province, and if we as an Opposition were to do anything which would make that matter worse, then, I say, Sir, in my opinion, we would not be worthy of holding the position which we are now honoured to hold. Then, Sir, if there was any doubt in my mind as to what we as an Opposition should do, I refer you to this Royal Commission set up a year



and a half ago, or whenever it was set up, and the studies made thereafter. Nobody knows better than the members of the Government the amount of study that went into the production of this report and this submission. It consisted of the Chief Justice Sir Albert Walsh and Mr. John J. Darwin, who after due consideration, came to the considered opinion as to what Newfoundland needed.

I want, Mr. Speaker, to use the words they used in their recommendations to the Federal Government. I will just read a few of the words. You will find it on page 40 of that report. "After giving consideration to the deficiencies in revenue, indicated by our calculations for the fiscal year 1956-57 and 1957-58, and after attempting to make a fair and equitable assessment in respect of the uncertainties and special factors mentioned before, we find "(This Royal Commission was set up by the Federal Government)" that the Government of the Province of Newfoundland" (and the same thing would have happened had we been the Government as we may be some day, not just three of us but there will be others with us) requires, as from April, 1957, additional financial assistance of \$8 million per annum, less the transitional grant" etc.

They found the Newfoundland Government required that \$8 million, and that had to date back to April 1957. They found after due investigation and due examination, that the Government of Newfoundland required that extra \$8 million which would make it \$13,680,000, I believe, up to the present time. They found that after due enquiry. How are we of the Opposition not to uphold and support them, at least up to the amount that they recommend? Some of us think we should get more. I definitely and publicly stated so. That is not the point. The point now is that the Royal Commission found (and we only have to look at the budget brought in here by the Government to see they were perfectly right as far as financing the Newfoundland Government is concerned) "...The Newfoundland Government required special financial assistance..." So therefore, Sir, considering that, and considering all the matters and things which are allied to this big question, we definitely, on this side of the house, decided to completely forget politics, forget everything. If the Royal Commission found the

Government of Newfoundland required that money, then we must assist in every way we can. And I say, speaking for myself, and I am quite sure for the members of the Opposition, that we are only too happy to ask the Federal Government to endeavour to implement the recommendations at least up to the point of \$8 million per annum, and to do it forthwith, because the Government of Newfoundland requires it at the present time. I am happy therefore, Mr. Speaker, to second the motion.

On motion, resolution moved by the Hon. the Premier and seconded by the Hon. Leader of the Opposition, carried unanimously by the house.

**Presenting Petitions:** None.

**Presenting Reports of Standing and Select Committees:**

**Hon. B. J. Abbott** (Minister of Supply): Mr. Speaker, I beg leave to lay on the Table of the house copies of regulations cited as the "Trailer Park Regulations 1958."

**Giving Notices of Questions:** None.

#### ANSWERS TO QUESTIONS:

**Question No. 58:**

**Premier Smallwood:** I have the answer to question No. 58 put by the Hon. Leader of the Opposition, August 28.

The answer is \$37,536.

Then under (b) the sum is \$12,625.00.

(c) Lee Wulff, New York, \$17,000 and Victor Kayfetz, New York, \$6,900 making a total of \$23,900. Travelling, Mr. O. L. Vardy, Director of the Board \$2900. B. King the Chief Inspector \$992. Miss M. Godden \$544. Raymond Rodgers, Secty. of the Loan Board \$187 and Doug Wheeler \$50. The total for office expenditure, postage and telegrams and the like \$3200.

One loan only was made of \$20,000 to Walter P. Forsey of Grand Bank. The amount paid out to APEC was \$6600 for fees. Fees are charged to the governments of each of the four Provinces and our share was \$6600. Travelling in Economic Development amounted to \$7,151. Gordon F. Pushie, Director General, travelling too and

from the following places, San Francisco; New York; Toronto; Montreal; Halifax; St. John's; Charlottetown; Ottawa; London; Glasgow; Port Hope Simpson; Swift Current; Goose Bay; Bay D'Espoir; Come-by-Chance; Clarendville; Flat Bay; St. George's; Corner Brook; Grand Falls; Arnold's Cove; Southern Harbour; Carbonear; Harbour Grace; Bay Roberts; Stephenville and North West River. I may say Mr. Pushie accompanied the Crown Zellerbach engineers and officials wherever they went. And he travelled to California and Europe and made many trips in between on behalf of the department generally, and on my behalf, to a large extent eliminating the necessity of my travelling much in the past year, as I had done in previous years; \$3,600.

**Mr. Hollett:** He did not do all that for thirty-six hundred dollars.

**Mr. Smallwood:** Yes he did. He is a seasoned traveller, you know. Mr. Arthur Johnson, the Deputy Minister of Economic Development travelled to and from the following places. Halifax, St. John, Fredericton, Moncton, Charlottetown, Montreal, North Sydney, Yarmouth, St. Stephen, Corner Brook, Grand Falls and Gander. His expenses amounted to \$1,400. He is our principal member on APEC and he travelled back and forth to APEC meetings.

Mr. Gordon Goundrey, who was the provincial economist, attached to my office, who is no longer with us, travelled to and from the following places: Ottawa, Montreal, Goose Bay, Grand Falls and Corner Brook. His expenditure was \$1,710.16.

Mr. Walter Carter, who works in my office, travelled to and from the following places: Stephenville, St. George's, Harbour Grace, Bay Roberts and Brigus. His expenditure was \$416.

The amount expended under the heading of Economic Development General Investigations were as follows: (answer tabled) (8) (9) (10) and (11) see answer tabled.

(11) All reports were made orally to me by the chairman, and I would find it a little difficult to remember all of them. But, if the Leader of the Opposition desires to have any information on any particular report made by the chairman, I will be glad to have

it reduced to writing and passed over to him. Or, if he would prefer to discuss any particular investigation made by the chairman with the chairman he is quite free to do so, and I would instruct the chairman to give the Hon. Leader of the Opposition any information whatsoever.

**Mr. Hollett:** Mr. Speaker, the reason for that question was because of the announcement by the Government of their programme in regard to electricity all over the island. I thought it possible there might be some reports.

**Mr. Smallwood:** I think it was announced some weeks ago, the fact that I had asked my colleague, the Solicitor General and Minister of Provincial Affairs, the member for Ferryland District, to take on the particular responsibility, within the Cabinet, the task, the responsibility, for dealing with this whole matter of rural electrification in Newfoundland, which is at present a matter for careful and somewhat close negotiations with the three power companies in Newfoundland, Newfoundland Light and Power, United Towns, and Union Light and Power Company of Port Union. The solicitor general has been conducting these negotiations, and from time to time he has reported to the Cabinet, and from time to time the Cabinet has given very careful consideration to these matters. I may say we spent all this afternoon (the Cabinet) all of the forenoon dealing with the latest information he has brought to us, and with a view (if it turns out to be practical) to our making a statement in the house in this present part of the present session.

Questions Nos. 54, 67, 52, 61, 68 tabled (see appendix)

#### ORDERS OF THE DAY:

Adjourned.

#### BUDGET DEBATE:

##### General:

**Mr. G. R. Renouf** (St. John's South): Mr. Speaker, I listened with considerable interest to the Budget Speech of the Hon.

Minister of Finance, delivered in the House of Assembly on Thursday past. In the first instance, I was interested in the speech of the minister because the Budget Speech was a long awaited event. Secondly, I was interested in it for the subject matter it contained. Upon first reading, I realized that this was not a normal budget. Upon reading it the second time, and upon further contemplation, I realized that my reactions to it were somewhat varied. My reactions, I found, were as varied as the sentiments expressed in the budget speech itself. Again, and upon further contemplation, I discerned that the budget speech contained all the human emotions that can arise at a time of crisis. I always find it, Mr. Speaker, rather interesting when reading a book or a poem to try and gauge the mind of the author and see what circumstances prompted the nature of the writing, what factors influenced what he wrote. As I said before, this budget speech produced in my mind a great variety of emotions. There was joy and there was sorrow—joy upon the achievement of ten years—real sorrow upon the non-arrival of a certain sum of money. Patriotism was also sounded, but in the background we had imaginary scoundrels and political heelers and all sorts of people who were smirking and smiling at a government which was alleged to be in a somewhat embarrassing position.

No doubt (to avoid a too dry recapitulation of figures and facts) we all got a glimpse of history. We were brought back to the "ten years' of Confederation." The focus was placed, not so much upon general matters of Confederation, as upon the solitary Newfoundlander who refused to sign the terms. The hope was placed upon him rather than upon those who did sign. Then, of course, the ten year field came into the budget, and we are told that the ten year term became of dramatic significance; we were told that it was a decade which had seen more growth, more expansion, more development, more progress than within the fifty years previous to it. Now, my reaction to that was that that sounded very much like an oft-played hi-fi record. The delicate inference was, of course, that all this development, all this expansion, took place under the magical inspired influence of the Liberal regime.

I give credit, and I always have, to the gov-

ernment for certain things well done, but I would ask them to temper their self-praise by the thought that their claims are not too well founded. Their claims are not all merited. What has taken place in this country has not been exclusively due to their inspired leadership. What has taken place in this country, Mr. Speaker, is only a counterpart of what has taken place throughout North America, brought about by economic expansion of a wartime economy, brought about by technology, brought about by the progressive elimination of space, through scientific development. I would also say that our Newfoundland people were not unaware of these worldwide developments. Consequently, the demands and wants and aspirations of our people grew accordingly. Again, that was not an isolated development. The people of Ghana have awakened. The people of Indochina have awakened. The people of Malaya have awakened, and so have the people of Britain. Now I mention that fact again merely because of the fact that I detected in these expressions in the budget, and expressions uttered privately and freely, that the Liberal Administration gives the impression that they want us to believe that history commenced with their advent to power. I would also point out to the same government that it is true the Government has been in power for ten years, but many claims that they have made can be modified by the realization that they have been in power far longer than any previous administration had, and had at their disposal, not the meager, small change of the previous Government but millions and millions. Why then could they not show some results of these millions? It is a very easy thing to make a splurge and to make progress when millions are at our disposal.

Now, Mr. Speaker, I was about to leave that "ten year theme", I was about to drop it until I noticed that paragraph, on page eleven, I think, which gives us a very interesting little philosophical treatise, in minute form, and I quote here:—"There is something peculiarly attractive about the first ten years of life of a man, a nation, or a province." Again that magic digit "10". What is the significance of it, I wonder? Does it mean the "Best Ten Years Yet" or does it mean rather "The Best Eight Years Yet" coming out in its new edition, and for the sake of variety called

"The Best Ten Years Yet"? Or does it, I wonder, constitute a retarded version of "Shakespeare's Seven Stages of Man" going no further than the stage of "mewling and puking". "The infant mewling and puking in its mother's arms"? Now I thought it could not be a ten year budget. No, the word ten cannot connote that because the Liberal Government could hardly be in power ten years from now. No, I thought that my surmising was a bit astray. Then I was "brought up" or distracted for the moment, but the phrase of the Government—"We have learned a lot about the fact of union." I have not quite decided yet what that sentence or what that phrase would mean. But in sequence of it, of course, we are told, "Newfoundland is not yet out of the woods—Newfoundland has not yet solved all her problems."

Mr. Speaker, that Newfoundland has not yet solved all her problems, of that we are fully aware. And I am afraid that our confidence in this administration to solve these problems has long been shattered. I contend, Mr. Speaker, confidence in their ability has been shattered by a long series of famous events from the days of the famous Icelandic boats down to the era of the famous Dr. Valdmannis, and down to this present day, a period of ten years, a term of misguided financial administration. Now we come to the over-riding theme of the budget, which applies to Term 29 or, in other words, the McNair Royal Commission. In distress, as Newfoundlanders, we are as one in expressing disappointment at the announced recommendation of \$8 million. The Hon. the Premier himself, Mr. Speaker, was only four hours after the Leader of the Opposition in publicly expressing the disappointment, the universal disappointment of Newfoundlanders in that amount. The Hon. Leader of the Opposition, as the Hon. the Premier has said, is to be commended for that prompt, that far-seeing that statesmanlike announcement.

**Mr. Smallwood:** Hear. Hear.

**Mr. Renouf:** We shared in some small part in it, I may relate (digressing for the moment). When the Hon. Leader of the Opposition heard that the Terms of Union were to be released, he telephoned Mr. Higgins (J. D. Higgins-St. John's East) and

he telephoned Mr. Duffy, (A. M. Duffy-St. John's Centre) and he telephoned me, and he asked us to come in. When finally the terms came out, we discussed them, we all gave our opinions and our opinions were unanimous with the opinion of our Leader. Yes, we were all unanimous in obtaining financial justice for Newfoundland, justice based not upon the cold figures on paper but justice based upon the spirit of the Terms of Union.

**Mr. Smallwood:** Hear. Hear.

**Mr. Renouf:** When the crisis has passed, Mr. Speaker, and when finally our trust in the fair mindedness of the Prime Minister is vindicated (an assumption which I think is well justified because of the recent events in recent times when the Prime Minister has shown a very noted solicitude and concern for the Atlantic Provinces) when his decision is finally reached, I think that we will have no cause for worry. But I do feel that we must, in the future, following that information and award, we should have a Government wiser in the light of their experience. I think the wisdom of retrospect should be a part of any government. I feel that our concern for the future of Newfoundland is equal to that of the Government. I feel we should share in the major plans for development of our country, I feel that we are more than a mere formality in the approving of matters already done. I feel that the inspiring responsibility which a Government has in handling millions should automatically prompt them to take the Leaders of the Opposition into their confidence and see, and plan out, that the millions to be spent are spent in the best possible way.

Let us take, for a brief moment, another broad view of the picture presented by this budget. There is first of all, as I said, the lament about Term 29, about the amount not yet being in hand, and there is the disturbing suggestion that we (Newfoundland) are shown in the light of a satellite or subsidized appendage of Ottawa. That aspect, Mr. Speaker, I feel it my duty to dispel. We do not want the people of our country to get the idea that we are an appendage of Ottawa. Such is not the case. Money that is coming to us is coming to us as of right, it is coming to us through constitutional pro-

cess, and we must not let the feeling get abroad that this is charity coming from a Mother Government. Now, Mr. Speaker, the house is being asked to vote a colossal sum, a terrific sum, for the expansion of our Newfoundland services, our various services. And we are asked, (by the actual working of the budget) what are the actual sources of revenue from which these sums can be paid. We are told in answer that there is our normal revenue, with Term 29 money which is to come, and borrowing. Now, borrowing is a word I hate to pronounce, particularly when it is borrowing in the midst of millions to come. Borrowing which we have been told, many a time and oft, was the "curse and bugbear" of past governments of this country.

The average Newfoundlander, I believe, has become lost in the labyrinth of millions; (and I am not too sure the present government is not also lost) there again he is hardly enlightened by this budget, nor shown any way whereby any wealth or new revenue is created. He has not been told of any sources of labour or new industries. He even dares to wonder now whether he is getting the value of his dollars for such revenue as there is. He wonders whether extravagant is stalking through our financial corridors. He wonders how many unnecessary boards are in existence, how many authorities such as the Fisheries Authority (that pay salaries of seventy-five thousand dollars a year) how many of these sort of things could be dispensed with; how many government communities that are in being now, not for their usefulness, but as rewards for political affiliations. These things are facts he is wondering about. Or how many boats are sailing around Conception Bay with \$10,000 skippers sunning themselves in true southern style.

**Mr. Smallwood:** Tuna fishing?

**Mr. Renouf:** Tuna fishing. He also might be wondering how many useful monumental works are strung around the place, perhaps including the \$250,000 one around this building. He has a recollection of huge sums spent on reports and enquiries, such as the Little Report, and others we were very anxious to find out about some time ago. Now, all these things worry the mind of the average taxpayer, and he stops, particularly, to

wonder if his dollar is not going in the best way possible, when he realizes, when he sees that part of that revenue which is collected is contributed by him when he eats his bread and wears his clothes. The question might be asked; is there any purpose, Sir, in going over all this old stuff? Well, I don't want to waste anybody's time by going over it, but I think, to get the proper perspective and get the proper focus, we have to do a bit of reviewing. After all, this is accounting time, this time of the budget. It is the one time of the year you can range over all the varied and multitudinous, aspects of government spending, the time of accounting and the time of stock taking, which takes place in every business concern. After all, millions have been spent or been committed by this Government since the last house met. As trustees for the people, they have to give a very fine accounting for the money that has come into their hands; they have to give a very fine accounting as to how these huge sums were spent.

Now, there is a danger of governments a long time in power. They become somewhat oblivious of these facts. This trend it is our duty to curb. It is of no concern, really, to the people of this country whether the present government might be embarrassed or otherwise by the mistiming of the arrival of government grants, but it is of concern to them how careful and how wise the custodians of their money are, how wisely they spend it, how good is their business sense in that expenditure that they make. After all, the revenue is the lifeblood of this country, and by all means it must be conserved. To my mind, Mr. Speaker, at this time it is important for us to be calm and unemotional. I do not think we should let a war of nerves develop because I feel the Government, in its present predicament, is there somewhat through its own fault. If they are still to provide for the people of this country all the services possible, all the expansion possible, all the benefits possible, if they are still, I say, to do that, they made contributions and announced them at a date which has led, in some ways to some embarrassment. Most of the announcements of expansions happened to be made, by coincidence or otherwise, prior to the 31st of March last. Now I do admit that these announcements would have come anyway,

these commitments would have been made by the Government in any case, but the timing—expedient, yes, but whether they were wise, prudent or responsible of that I am not quite so sure.

#### TERM 29:

There is an understandable delay in the money from Term 29. We were disappointed, as I said, that \$8 million was the extent of the recommendation. The Hon. the Premier appealed to the Prime Minister of Canada for a better deal. The Prime Minister of Canada immediately reacted by rejecting the McNair Commission's report. We know the calibre of the Prime Minister of Canada. We know his past actions in our direction have been favourable. We know that the appeal made generally to our own minister at Ottawa, (the Hon. W. J. Browne) has not fallen on deaf ears. We know that Mr. Browne is sincere in his efforts, sincere in his work and sincere in his undertaking, to do whatever he possibly can to benefit Newfoundland. I feel I am not sticking my neck out by predicting that he will get a better deal. I certainly hope so.

But there is this aspect of it, Mr. Speaker. The Government of Canada has received no relief in the heat of summer from the rigid agenda which they have had, but which is now drawing to its eleventh hour. They will, in all reasonableness, need a bit of time to take up the matter, or reconsider the matter, of this McNair Report. But timing is our worry. It is timing which is the crisis of the moment. The timing of the arrival of that money. I would suggest that there is nothing unreasonable in the timing, the delay, up to now. But we are impatient, naturally, as a people. Some of us will be tempted to sharply criticize the Conservative Government for what appears to be tardiness in giving the money we want. I suggest, Mr. Speaker, that will not serve any useful purpose—we must curb our natural impatience and get the picture into proper focus. After all, no individual, no Government, can preordain the time of events or the happening or date of timing of events. We cannot ordain in advance the time of a happening.

Now, the Government of Canada, of which we are a tenth part, is still considering, or is

about to consider a new deal for us. We must realize that the Prime Minister of Canada is the leader of a great nation and, as such, he cannot lightly, quickly nor immaturely settle on a matter. He is the custodian for the people of Canada, a guardian of what is done. It is not millions for today, it is not millions for tomorrow, it is millions for all time. It is millions for as long as the great Dominion of Canada lasts. This remark is not out of focus with the resolution which was passed today in this house, but I am speaking now mainly in the light of final settlement. That is going to take a long time. As the Premier himself said, the Prime Minister of Canada has to realize that he is bound to give due consideration to a matter relating to this tenth Province which will involve amounts in perpetuity. No responsible leader of a great country deals lightly with millions, Mr. Speaker. And so perforce we must carry on as best we can. We know that, in a short time, (it is the opinion of many people) this passing trouble will be finished. In the meantime, however, we have before us huge sums to be expended on highways, on education, on welfare, on electricity. We note, by the way, Mr. Speaker, that there is only a token vote for electricity. Part of the explanation of that we got a few minutes ago. We do note, nevertheless, conspicuously, there is only a token vote for rural electrification.

#### RURAL ELECTRIFICATION:

If my memory serves me properly, the announcement on rural electrification was of equal significant and equal public and equal dramatic force as the announcement on other developments. You know, Sir, I found that puzzling, because I seem to remember having seen in the Public Accounts that there is a salary voted or asked to be voted for a Power Commission Chairman, who is being paid (I understand from a question answered) \$12,000 per year. He has been paid \$12,000 per year for possibly the last three years—a report from whom I cannot recollect having seen in the house. I cannot recollect having seen a report from the Chairman of the Power Commission.

**Hon. M. M. Hollett** (Leader of the Opposition): He does not make any report.

**Mr. Renouf:** That is true, Mr. Speaker. This electricity to be, I can see is charged with some of its own element. I fear it can produce an electric shock. I presume, Mr. Speaker, the Government has realized that, even in the neighbouring Province of Prince Edward Island, the Government there is obligated to subsidize the consumption of electricity in that small province, which is far more compact than ours, with far less mileage to cover. Yet I understand they have to pay a share of the consumption of electricity. But, as I have said, the announcement has been made that there is a rural electrification policy. The country, I may say, awaits with interest the report of the ways and means whereby the Government is going to carry out this policy.

### HIGHWAYS:

In the budget, we get news of a vast expenditure for highroads. I might say at this juncture, Mr. Speaker, that we learn with some satisfaction that the Government has concentrated upon the great importance of the development of a highway system. I feel that this is a long delayed policy. I feel that it will do a great deal of good to this Province. No modern country can survive without an adequate or reasonable road system. I think if our proposed highroads policy is well carried out, that the opening up of areas in this country, and improvement of existing roadways, will automatically bring new life, bring new elements into our various communities, and I think it will give the people living in out-lying areas a very great chance to mingle more freely with the other sections of the country, help them to meet more people, and in many ways will automatically lead to the development of the Province. But with that announcement and with our "agreement in principal" of adopting a vigorous highroads policy, with that agreement, Mr. Speaker, comes the realization of the terrific responsibility which is about to be placed upon the Minister of Highways.

The administration of a large sum such as contemplated will give him a very great load to carry. There are very many problems to be worked out in the highways policy. It is not merely, as I said before, a matter of spending the money. He will have to watch

carefully how his announced methods of mechanized patrols work out. He will have to constantly check that that policy is effective. Not only that, he will have to see that the most food is gotten from the dollars spent. And not only that again, Mr. Speaker, but he will have to examine carefully as to what system is the best to use or adopt in the letting of contracts. He, with highroads funds of that sort, will have to see that the best contract method is worked out. He will have to see and satisfy himself that the contract he agrees to let for work on the roads is a good one. This is not a reference to any particular grudge, nor any particular criticism of the policy as it has been operated. I do know, Mr. Speaker, that, in one case, I hear of some dissatisfaction in road contracts. I frankly do not know. Sometimes it is dangerous to pay too much attention to rumors, because, sometimes they have no foundation. But I, in sincerity, say that these remarks are made in no carping criticism. I notice, Mr. Speaker, my throat is beginning to get somewhat "wraspy", and as melodious tones are much to be desired, so that if the house would wish to recess, I would then briefly and quickly conclude my remarks.

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

**Mr. Renouf:** Mr. Speaker, fortified by the best brew in the world, I, with your permission will continue the remarks which I had been making about the aspects of the budget involving the large vote for highways. I made a comment, Mr. Speaker, that the amount proposed to be voted was the largest contained in the budget. I made the remark, Mr. Speaker, that the policy of adopting a vigorous highroad plan was to be commended. When recess came I made the remark that I trusted that the Minister of Highways, who assumes the responsibility for the management and administration of these large sums, would make it incumbent that he would examine thoroughly the aspect of such a programme. I voiced the remark, Mr. Speaker, that of necessity the Minister of Highways would have to deal with a lot of people, would have to do a lot of buying, would have to examine, study and make decisions upon a large number of contracts for road work. I made the remark,

Mr. Speaker, that I had heard in a general way some criticism upon the way in which road contracts were being let.

There is, I believe, Mr. Speaker, a current practice universally—(how universally adopted in other Provinces I do not know)—I am informed that tenders are called for, and the bidders never know the details of the prices of the other bidders. In other words, if the contractor aspires to bid on a certain project and if he fails to get that job, he never knows for how much his competitor was awarded his contract. That, I contend, Mr. Speaker, is rather a peculiar situation. I understand that it is equally a common practice, or more a common practice elsewhere, that tenders for road work and such are opened up in public and that, upon the date of the expiration of the tenders, all parties interested can attend and see what bids were made by the other bidders and see for themselves that the lowest tender was acceptable.

I will state here and now that might be a very wise policy to be adopted henceforth in our local Department of Highways. That proposal may have certain drawbacks of which I am unaware, but at least it would eliminate a lot of dissatisfaction, a lot of rumors and a lot of criticism of that department. Is it so, Mr. Speaker, that a very small number of contracting firms in this Province are getting the lion's share of the large construction work? We do seem to hear that Messrs. Goodyear, Lundrigan, Concrete Products seem to be the big three in the distribution of work in this Province. Perhaps it is that they have the equipment, and they alone have the equipment, to handle such large projects as are underway. But surely we would have to consider (or the Minister of Highways, rather, should consider) where that is going to lead or build up to a position where three such companies are going to take it as a foregone conclusion that they are going to be the only contestants for work in this Province.

**Premier Smallwood:** Why does not the hon. gentleman ask his leader to give him the answer tabled here this very day showing not three, but three, four or five times more than three contractors who are doing the work. The information is over there beside him?

**Mr. Renouf:** I mentioned, Mr. Speaker, the major work.

**Mr. Smallwood:** They are the major firms.

**Mr. Renouf:** That is a possible answer. As I mentioned myself, perhaps there is a reason. But I am still contending, Mr. Speaker, it can lead to possible trouble. I make that remark merely as a normal criticism, or a normal comment, on a very vital aspect of our activities under the Highroads Department. We might have to study the point as to whether or not outside contractors might be considered.

**Mr. Smallwood:** They are considered. They are considered and get contracts.

**Mr. Renouf:** I do realize, Mr. Speaker, that there are certain limits to the locations in this Province, where not all outside contractors would find it convenient or economic to come here. I do notice before me that, as the Hon. the Premier said, there are a number of contractors here. It is true that one of them is one of these I mentioned, Lundrigan is fairly substantial and Concrete Products is equally substantial and Goodyear is equally substantial. There are a number of others. I do not wish to develop that topic too far, but merely to give the benefit of my views, if I might presume to suggest that the Minister of Highroads would bear in mind that it is uncumbent upon him to make a very wise decision and, always make sure that the administration of such a vast spending department is not operated in any way open to question.

**Hon. L. R. Curtis (Attorney General):** You are not suggesting that this is not being done now?

**Mr. Renouf:** No, I prefaced that already, Mr. Speaker. I said there were no implications. I am not making, I say, a general comment in the light of how we want the public to regard the functions of a department of Government. After all, it is the highest spending unit planned for the coming year, and we do not want any derogatory remarks. We want an understanding of the system of road work contracts, and we want to be assured that everything will be fair and square. We note that some of the



contracts, some of the contracting firms, look after certain areas and that there is a reason for certain companies taking the western areas, certain companies taking the central and certain companies taking the Avalon Peninsula. There is a lot of information here which I have not yet had time to look over, which was tabled today. But we will, in the near future, see, we hope, that the Government will be able to push on with the proposed expansions.

I had the advantage in recent days to travel over some of the highway systems of the Avalon Peninsula. I do comment that some of the road was newly reconstructed and it will be pleasant driving, if, as, and when they can be paved to eliminate the dust. But I do see that the Government is making a determined effort to do something about our roads. We will see shortly road work proposed in many districts. I believe, Mr. Speaker, that the various districts were asked by the Hon. the Premier sometime ago to submit plans of requirements in road work for their various districts. That, I contend, and that, I say, was a very wise and good plan; to get across the suggestions on the needs of the country. As the member for St. John's South and as a member of the Opposition, I feel safe in saying that the Avalon Peninsula and St. John's in particular is aware of the needs for roads in more far-flung parts of the Province. I feel that, as members of the Opposition, we do not want to see St. John's nor the Avalon Peninsula "hogging" the road improvements that a great many sections of the country are crying urgently for. I think we will all back up a programme which will give a fair distribution to all the districts, in the priority in which they need them. That is what we hope to see, a good sound, fair activity of road development and road reconstruction in the areas of our country where it is so badly needed. Now, Mr. Speaker, I know that I have dealt most inadequately with the main vote of this budget, the highway vote. I know that it could take up a considerable, if not the total, part of anyone's allocated time. In commenting on the budget speech, I trust that I have been fair and I feel sure my colleagues here will follow up and fill in such gaps as may have occurred in my recounting.

## EDUCATION:

We come next, in order to size of vote, and possibly of equal importance, to the heading of education. The matter of education, Mr. Speaker, was focused by an announcement some months ago, when a very good resume of the educational needs of the country was given by the Hon. Minister of Education. On that occasion, I believe, I recollect, I complimented him upon the eloquence with which he delivered it and the subject matter of his speech. We now hear that the policy of the government is to give a substantial increase to the teachers of our Province, to give generous grants for various types of scholarships. And the announcement, I might say, was followed with considerable satisfaction by the people engaged in education. And I feel sure that the inspiration of that announcement, of that policy, was endorsed by the people of this country generally. There is no more inspired theme than that of education. Education in this country has been comparatively retarded, in the sense of adequate finance. For generations back, it is true, we have had our scholars. It is true we have had our teachers, teaching orders. It is true we have had those to whom we can be thankful for their pioneer efforts; but we are glad that the Government hopes to see its way clear to launch out in the second vigorous phase of an enlarged educational plan. The areas of our country, so many of them are isolated. In recent years when contract work and other employment was so plentiful our teachers were inevitably drawn away, for economic reasons, from the little schoolhouses and our communities were the poorer because of that. Now the Government hopes to offer to these teachers a salary scale commensurate with the dignity of their profession. I feel that members of the Opposition and people in this country generally endorse the policy which will give our people all the benefits of education which they have deserved.

We have to, at the same time, Mr. Speaker, bear in mind that education alone will not be sufficient. We have to work hand in hand with education subsidiary policies or auxiliary policies so that we can fit our educated students into our economy. I can see, in my mind, the brilliant and bright school children of this country coming out in their

hundreds, with their faces shining with expectation that their country and their leaders will give them an opportunity to stay in their native Province. I feel that education will give them an increased inspiration. I feel that education will give our students an aptitude to adapt themselves to many things, I feel that education will enlighten them as to many ways and means whereby they can make their living in their native Province. I can foresee that we will have improved teachers. I can see, in future generations, the supply of aspirants to the churches in their vocational calling will be increased. I can see our professions will be enriched by the flow of more qualified students. Students better taught by better teachers. I can see that all phases of our life can be enriched by a policy of expanded education.

There is a little note of disappointment that flickers through my mind. Whereas I do admit that the greatest need, and perhaps the greatest priority, should be given to the primary schools and to the good of the schools, as announced under this policy. I do have a flicker of regret that the policy is not topped over, as it were, by an announcement to round out or to complete the new university. I do admit, in bringing ourselves up to date, that some reference to that, Mr. Speaker, was made by the Hon. the Premier today. I do think that it is a project that should be brought to completion, and I trust that objectives will be pushed with the same skill and the same ardour and the same enthusiasm as was the deal for the new Provincial Building. I could, I suppose, take considerable time to make a worthwhile comment on this educational programme. We cannot say, we cannot deny, that we approve of anything that will benefit our students and give our schools in the outports greater facilities, that will eliminate some of their isolation, that will give them greater comfort in wintertime by providing transportation to far distant places, and eliminating the drudgery and fatigue resulting from long hikes in distant schools. I must of necessity, Mr. Speaker, have some limit to my comments, with the assurance, of course, that my colleagues, as I said before, will fill in what blanks are in my speech.

The next main heading in the budget might be electricity, but I have dealt with that topic

before and will not renew it again. I expressed some concern, however, or I did not express concern but I feel some concern, that there are deficiencies, or shall I say omissions, in the budget which I feel should be commented upon.

Mr. Speaker, I made a reference sometime back that education should have as its end result—not the end result—but education should be followed by opportunity for our youth in the community and in the Province. I notice that the budget says nothing about any board, committee, or effort devising new means of employment, nor any means of activity for the people of this country. I know that the Government must be giving it some thought and some concern, but there is no announcement nor written reference to it. There is no reference to some activities which might be of benefit to this country in this way, that we as a Province and as an island are buying terrific amounts of food and other commodities from the mainland enterprises, mainland producers. We import a terrific amount of our vegetables. We cannot, in truth, support ourselves. Meat in great bulk is produced on the mainland and we buy it with our cash. The vegetables which we produce are not enough to last us our normal winter. It is conceivable that situation such as is developing now might lead us to be somewhat short of eating products for our table. What I wish to point out, Mr. Speaker, is that we seem to be deficient in a serious, concentrated means of at least stimulating activity in the production of enough food to feed ourselves. That is a long topic. But since Confederation it has become almost a chronic condition that our production is not enough for our local needs. I would like to see some means, some method, set up by the Government to really and seriously tackle at least one problem, the problem of whether we can produce enough to feed ourselves and cut down on those millions and millions which we are spending and paying to mainland food producers. That is not an unreasonable suggestion. I submit, Mr. Speaker, that in itself would produce a lot of employment, and it is only commonsense that our not too unfriendly soil should be made to produce a lot of the things which we now buy with our hard-earned cash.

There has been no reference either to other means or activities that might produce work

or wages for our people. I would like to see an enlightened policy announced before long of a re-examination of small industrial activities. I almost hesitate to mention the word "new". But I think we should bear in mind that some minor industries which, multiplied in sufficient numbers, would give a variety and cross-section of employment for our people.

Now health and welfare figure largely as well in the headlines of the budget produced a few days ago by the Hon. Minister of Finance. We are glad to note that the Government is solicitous, as usual, for the health and welfare of our people. We have, of course, heard the announced health plan, and the new hospital plans, and we trust that these plans will work out as we hope and as expressed in hope by the minister concerned. We trust that undue difficulties will not arise in the hospitalization plan, we trust that the demand and need and attention will not overcrowd our hospitals to the detriment of all concerned, before accommodations can be erected to look after the increasing and multiplying number calling for and asking for medical attention. I have not touched on all phases of the budget. I have not had the time to adequately deal with all of them. I would prefer to let slide some comments and some topics rather than deal with them too superficially. The budget has been called a "Brave Budget". That is not enough, to be brave. We feel that apart from being brave—

**Mr. Smallwood:** Did the hon. gentleman say brave or grave?

**Mr. Renouf:** It is both grave and brave. Whether the budget is brave or otherwise, Mr. Speaker, may not be the concern of the people of this country. But what the people of this country are going to be concerned about and what they are going to want is the implementation of the policies of the Government. And we will look forward, and we will hope for, and we will expect, and we will demand of the Government the best performance within their power, and we will do with no less. Thank you.

**Hon. Dr. F. W. Rowe** (Minister of Education): Mr. Speaker, before I begin my few remarks that I have to make here this afternoon I think I should draw to the attention

of the house the fact that we have with us a well known Newfoundlander in the person of Mr. Charles R. Granger, who is the representative for the Federal Riding of Grand Falls, White Bay-Labrador. It gives me a double pleasure, therefore, to bring the house's attention to Mr. Granger's presence here this afternoon, not only for purely personal reasons—he and I have been old friends, as I am sure were most of the members of this house, for many years, but because he is the Federal member for the district which I represent in this house, that of White Bay South. I am sure I speak for all the members of the house here, on both sides, when I say we are very glad to welcome Mr. Granger to sit inside the Bar.

Mr. Speaker, my first duty, I feel, this afternoon, is to congratulate the Hon. Minister of Finance for that budget speech which he delivered last week. I think that speech was notable in two ways; first for the content and secondly for the very able and very competent way in which the hon. minister delivered it. I am sure we all appreciate that the minister was preparing a budget speech at a most difficult time, one might say, one of the most critical periods of our history as a country and as a Province, and that therefore he had the goodwill and, I believe, the sympathetic understanding of the entire Province in his performance of that function.

I want to take this opportunity, also, as I think I should, to compliment the speaker who has just sat down. I believe the hon. and learned member for St. John's South is the first one in the House to speak on the budget, and he should be commended for that very excellent speech, which realizes a statement which I made here, I think last year or two years ago, when the hon. member first sat in this house, when I expressed, in welcoming him here as did other members, the conviction that he would make a fine contribution to this House of Assembly. I think that speech he gave today is further corroboration of that belief.

This afternoon, I think, perhaps will go down in history as one of the historic episodes in the history of one hundred years of history of this house. I have had the opportunity and pleasure in recent years to accompany the Premier to all of the Federal-Provincial Conferences (I think, in all four, during the past three or four

years). As I sat in at these conferences and saw ten premiers and the Prime Minister, and the various ministers from the Province and from the Federal Government, deliberating on the problems (some of them individual and some of them common) confronting us; and as I attended with the Premier the several conferences of the Atlantic Premiers (three I believe and saw the four Atlantic Premiers at one time and there have been more than four as there have been some changes, as everyone knows) with the Premiers and the ministers again sitting down, and premiers of different political persuasion, sitting down and discussing problems, some individual again and some common to all—I had a feeling which was repeated here this afternoon while the Hon. Leader of the Opposition was speaking. I was looking at, as I often do, these portraits on the wall at the back of this Assembly, and I thought of the previous premiers (Prime Ministers as they were usually called) who directed and controlled and guided the destiny of Newfoundland over the last hundred years. Some of them had great weaknesses and some of them had defects of character, and some of them displayed on occasions poor judgment, all of them, no doubt, with human frailties; I had again the same feeling that, in spite of all our political differences, in spite of our political bigotry at times, and we were all guilty of it, I suppose, in spite of the childishness which politicians sometime exhibit, in spite of all these things, our system of democracy works. Never, in my opinion, did it ever work to better effort nor perhaps in a more dramatic manner than here this afternoon when all members of this house sank their individual differences, and personal likes or dislikes, and realized that it was our duty to act as Newfoundlanders for the benefit of this land of ours now and for years to come.

Mr. Speaker, I want to take just a moment or two to refer to one or two of the comments which my hon. friend from St. John's South made in the course of his excellent address. There were, as I am sure he would expect, several points that I could not agree with, several points that he made that certainly reflect a divergence of opinion that is widely held by most of us on this side of the house. He said that the tenor of the budget speech was such as to seem to lay undue

emphasis on the developments of the past ten years, and in particular to indicate that this Government was taking undue credit for what has happened in the past ten years. He did say, and I was rather astounded, that what is happening here in Newfoundland is only a "counterpart" of what has taken place elsewhere in Canada and the United States and in England. And he said it was not an isolated development. He said that history did not begin with the advent to power of this Government. I am sure the hon. gentleman would not seriously compare the standard of the people of England, or of the other parts of Canada, or the United States, or of the Maritime Provinces, where I happened to live, where I was domiciled for sometime prior to Confederation. He would not compare seriously the standards enjoyed by those people with the standards enjoyed by our people prior to 1949.

**Mr. J. D. Higgins** (St. John's East): He mentioned Ghana too.

**Mr. Smallwood**: Yes.

**Mr. Rowe**: I would say this development in Newfoundland in the last ten years is unique in the world. No other part of the world, civilized or uncivilized, experienced a transformation and revolution such as experienced by the vast majority of the people of Newfoundland. History did begin for tens of thousands of our people of Newfoundland ten years ago, on the 31st of March 1949. Tens of thousands of people who, prior to that moment, had never enjoyed a minutes certainty, nor peace of mind in the economic sense of the word, tens of thousands who from one day to another did not know, literally, where they were going to get their next meal; tens of thousands of children did not know whether they would be able to attend school when school opened, tens of thousands of children who went to school improperly clad. Indeed, history did begin for them; and in this the last ten years are unique and Newfoundland is unique in that respect, in the great magnitude of the transformation taking place in the lives of our people. We cannot take the credit for all that has taken place. But we must face up to it, we must admit, every honest man must admit (honest in an intellectual sense) must admit the

great contributing factor, the overriding, predominant factor was Confederation and we would not have had Confederation but for one man. So that history, nor no person in history, will ever be able to rob that man of the credit that is due him in bringing about that tremendous change in the lives of our people in Newfoundland. Of course there have been other factors. The military factor was one. We know that there have been other developments which assisted and helped, but the great one was the factor of Confederation.

My hon. friend referred, somewhat facetiously, I thought, to the fact that the Premier had, by a remarkable coincidence, been able to make announcements about these development programmes, expansion programmes I think was the word he used, in electricity, in education and in health and in roads and so on and so on at a most unusual time, prior to the 31st of March. My hon. friend seemed to attach some significance to that. It struck me a number of other announcements of developments taking place again could come accidentally at that time, old age pensions were in that period raised from fifty dollars a month, an unusual coincidence, I thought, the grants were made to the Atlantic Provinces, during that period, harbour developments were announced and other great public works, some of which, by the way, we are all waiting very eagerly to see started. These things have a way of taking place at coincidental times.

With two comments which my hon. friend made I am in entire agreement, and I believe everybody in this house is. He said that this money which we hope to get under Term 29, this amount of money whatever it is, cannot be regarded as a form of charity or aid coming to Newfoundland from the Government of Canada. I am glad he made the point. I think we need to stress that over and over again. This money which we will get, whatever it is, is a result of a contract. Let us not forget that. It is the result of a contract. There is a bond there, Term 29. I think it must redound to the eternal credit of the men who framed those Terms of Union, and particularly to the Newfoundland members of that delegation who saw to it that that terms was in there, because there was Newfoundland's life saver, there was

Newfoundland's guarantee that consideration would have to be given to it in the years to come.

I lived for some time in New Brunswick and Nova Scotia, and as other visitors there must know, even to this day there is a sense of dissatisfaction and frustration there over the result of Confederation. And I would say, Mr. Speaker, that perhaps the reason for that, the reason why so many in Nova Scotia feel Confederation has not paid off in their case, was the omission from their Terms of Union of something similar to Clause (Term) 29.

My hon. friend referred, in a most complimentary way, to educational development in Newfoundland in recent years. I would, as minister, be less than human if I did not appreciate these comments, and the government would be less than human if it did not. I think we can say in fairness, and almost in modesty, that the Government appreciates the value, the importance, the significance of education. Ever since its advent to power in 1949, there has been a decided improvement in education. And we mean to see that the Opposition will support us in that attempt to see educational progress. The hon. member expressed disappointment that nothing definite appeared with relationship to the University. I can say, as already indicated by the Premier, that no phase of educational development has received more consideration during the past two or three years than has this problem of the University. I am sure everyone will appreciate that it is not something that can be done overnight. I am very happy to be able to say I have been informed only today by the Hon. the Premier that, within two weeks or so, he hoped to make a most important statement on this matter of the University, one which I am sure will, without any doubt, lead to spectacular results in that field of education in succeeding months, and years.

**Mr. Hollett:** You say spectacular?

**Mr. Rowe:** Yes, I used the word spectacular.

**Mr. Hollett:** Very good. Are they not all spectacular?

**Mr. Rowe:** Yes, most of them are. Mr. Speaker, I want to say one or two words

about education. The minister, in his budget speech, referred to the fact that very considerable increases have been made (in educational development) in the provision of money for educational needs. I want to refer to four, very briefly:

First of all the matter of salaries, teachers' salaries. This year, starting this week, qualified teachers' salaries will have reached the stage where we in Newfoundland can take genuine satisfaction. The average for qualified teachers in Newfoundland will be equal, and in fact will be above, the Canadian average. No longer will we have to have that irritating fact dinning in our ears that our teachers are half starving, are underpaid, and that is why we could not get any teachers. That will not apply from now on. In fact I think, Mr. Speaker, that was reflected in the report the Superintendent of Education made to me only in the past three or four days. This year we have more applicants to enter the educational field as teachers than we have ever had before in the history of Newfoundland, and what is still more significant, we have far more with the qualifications, with higher qualifications than we ever had before. One of the superintendents reported to me this week he was able to take all his applicants from the honours list of Grade XI. And one superintendent reported to me that, whereas in former years, especially a few years ago, it was very difficult to get the quota that he was entitled to in respect of University training—(each denomination has a quota and is entitled to send x numbers of educational students to the University to be trained as teachers, to take the educational course at the University)—in previous years and for some years previous it was very difficult for the superintendents to get their quotas. In many cases they had, as it were, to "scrape the bottom of the barrel" and take students who would normally not be able to get into University at all, as they did not possess the requirements. The standard this year, the situation has almost reversed itself this year. One of the superintendents (and this applies to the others) has been able to select his quota from those students who attained honours, matriculated in the recent Grade XI examination. He will not be able to select anybody at the pass level, anyone who merely passed Grade XI.

So we have this twofold increase, Mr. Speaker, this increase which is quantitative, numerically there are more offering, and still more significantly, we have this increase of people with higher qualifications who are offering themselves to enter the teaching profession in Newfoundland. It will take time but this still is an achievement and means a better standard for our children in this Province.

I want to say just a word, too, on the scholarship programme of the Government. This year we hope to have something like twelve hundred and fifty scholarships and bursaries which will be made available to the students in all parts of Newfoundland. I will say just this. That programme (which has met with, I think, unqualified support from all quarters) that programme is designed to remove the historic inequality that has existed in Newfoundland education, arising from economic conditions. Poor fishermen, poor loggers, the man out of work, disabled, and living on unemployment insurance, and inequalities resulting from geographic facts, from the fact some little school twenty miles from nowhere, one room schools, those which have no qualified teacher but an unqualified teacher of nineteen or twenty years, these children will have, in so far as humanly possible, the same opportunity that other children born under more favourable circumstances have. We are only beginning this great programme. When these estimates are approved, we will have, as a Province, the most comprehensive scheme of Government scholarships and bursaries available in any Province in all Canada or, for that matter, any State in the United States of America. I was interested, only last night, in reading the report just made by the U.S. Federal Committee to the press, and which has been approved by the American Government, as a matter of fact, of Federal aid, approved only last week by the American Government, is designed to do the very thing we are doing right now. I want to say a word about building grants. We have, in fact, in these estimates here, increased building grants in Newfoundland. We face a terrific problem. I think we must realize we face a terrific problem, the problem of a fast increasing population and a population which is ever increasing factor. A hundred years ago you increased your

population in geometric proportion, and were then up against the problem, you were building schools on an increase in arithmetical proportion. However, we are making tremendous progress. If you look around in Corner Brook, Grand Falls, Lewisporte, Botwood, Port Royal and here in St. John's, where at this moment three magnificent regional high schools are nearing completion or in the course of building—it is the same all around Newfoundland where these improvements are taking place. I do not think we need to have any doubt about it whatever, Mr. Speaker, they will, in this one sense, revolutionize the lives of all our school children in Newfoundland.

**Mr. Hollett:** Does the McNair report agree with you on that?

**Mr. Rowe:** Mr. Speaker, I have read the McNair report, and I must confess (perhaps this is not the time to say it) to a sense of deep disappointment, at least in certain respects anyway. I would say that the McNair Report (why they did not do it I do not know) failed to take into account, sufficiently, the report made by our Newfoundland Royal Commission. However, I will not go into details on that right now. I want to make one brief reference to the fact that we in Newfoundland almost unanimously, I think, have refused to accept the McNair Report as being the final word. We hope that it will not be the final word. And I think we are doing the right thing. I think the easy thing for this Government to have done, the easy thing for the Premier to have done, the simple thing for this house to have done would be to say: "This is fine. Here is \$13 million we can get our hands on. Let us take it. We need it for schools, roads, hospitals. Forget all about it and let us have \$8 million a year." That, I think, would have been fatal because, as the Hon. the Premier pointed out else here and pointed out in this house, the absence of an escalator clause in that report is probably the most serious aspect of it, from the standpoint of Newfoundland's welfare, both now and in the future. Newfoundland's needs are not static. They are not something, as I pointed out a moment ago by implication, that increase geometrically but increase arithmetically.

We see that in education every day of our lives. Last year, one board instituted a transportation system and got away with one bus. This year, because the number of children has increased by twenty-five or thirty, they have to put on a second bus. All over Newfoundland that is happening. Our needs are going up in the absolute sense. Here again I am only referring to something which has already been applied here. Our needs are going up in a relative sense. Our people are no longer satisfied with standards that were tolerated a few years ago. When I was a boy in Lewisporte the nearest hospital for us was at St. Anthony, and the only way to get there was by going down to Twillingate and connecting with the S.S. Prospero which made a trip, I think, every fortnight. That condition is no longer tolerated. It is not being tolerated by our people. They will not put up with that.

Three or four years ago, an esquimaux living in Hebron, the most northern part of the Province, broke his leg in the middle of the winter, a compound fracture, which meant that if he could not get into hospital in a few days he would have developed gangrene and without doubt lose his leg and very likely his life. Ten or fifteen years before he would have died just like that. An airplane got in there from Goose and saved his leg and saved his life. Last year, in my own constituency, in a small community of only about six families, an old man of 76 years of age became quite ill. We received a report on it. We took it to the Department of Health and they satisfied themselves that this old man had pneumonia and unless taken out to hospital would die. Again that was in winter. An airplane was flown in and managed to land and took him out. I know it cost several thousand dollars to get that man out and save his life. There have been no objections, for the simple fact that the minds of four people are conditioned to accept these things and demand those things. They demand better educational facilities, more and more hospitals and the right to enter hospital of economic circumstances. They demand the best medical facilities available and roads everywhere and electricity. Their demand for electrical systems can be translated into their demands for washing machines, toasters, electric lights, refrigerators and so on.

Mr. Speaker, this budget which my hon. friend introduced last week is a budget with a future, a budget which epitomizes the hopes and aspirations of the people of Newfoundland, and is, I believe, a forecast of still more revolutionary development in this Province in the years to come.

**Mr. G. Nightingale** (St. John's North): Mr. Speaker, I am not going to get up and make a speech, I would like to get up and congratulate the Hon. Minister of Education.

**Mr. Speaker:** If the Hon. member rises he makes a speech.

**Mr. Nightingale:** No, I only want to congratulate both the hon. minister and the member for St. John's South. They covered many phases of education but they did not cover civic pride and civic appreciation. There is nothing there to cover that. They still throw their papers on city streets and we have nothing to be proud of in this country regarding civic pride, from top to bottom. It is about time we had in our programme civic pride and complete civic control as regard safety, vandalism, trespass and all these things. We should have them covered in our schools as part of education. Thank you.

On motion, debate adjourned.

On motion that the Hon. the Minister of Finance move the House into Committee of the Whole to Consider Resolutions In Relation To The Raising Of A Loan Of \$14 Million On The Credit of the Province. Mr. Speaker left the Chair.

**Mr. Clarke,** Chairman of Committee of the Whole.

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

**Mr. Clarke:** Mr. Speaker, the Committee of the Whole considered the resolution and directed me to report having passed same.

On motion, report received.

On motion, resolution read a first time.

On motion, resolution read a second time.

On motion, Bill based on said resolutions, "An Act To Authorizing The Raising Of A Sum Of Money By Way Of Loan On The

Credit Of The Province," read a first time.  
On motion, Bill ordered read a second time on tomorrow.

On motion that the House go into Committee of the Whole On Bill, "An Act To Provide For The Erection Of A Provincial Government Building." Mr. Speaker left the Chair.

**Mr. Clarke,** Chairman of Committee of the Whole.

On motion, Clause 1 carried.

**Hon. M.M. Hollett** (Leader of the Opposition): Mr. Chairman, I understand that if this building goes ahead it will be under Pland, and in that case, I understand, all financing, all letting of contracts will be made by Hansen & Hansen. Why, therefore, the necessity to give the Government power to enter into an agreement with any other persons or corporations providing for such and such.

**Hon. L.R. Curtis** (Attorney General): That is just in case Hansen & Hansen should retire from the picture and another firm should take its place. It is perfectly legal protection. There is no ulterior motive in putting in the clause.

**Premier Smallwood:** It is just to guarantee against a very remote possibility that Hansen & Hansen might wish at some time to retire from the picture and have their place taken by someone else — very remote.

**Mr. Curtis:** Or may reincorporate them under another name.

**Mr. Hollett:** Surely Hansen & Hansen, when they make a contract, you can compel them to do it, although they are in a foreign country. They are not incorporated here.

**Mr. Curtis:** When it has been signed.

**Mr. Smallwood:** Actions are often taken against companies, natives of one country by natives of another.

On motion, Clause 2 carried.

**Mr. Hollett:** Clause 3 mentions that the building will, in fact, be owned by a company which is a Crown Corporation, wholly owned by the Newfoundland Government,



and brings the matter of the whole project within the realm where no taxes become applicable, no Federal taxes.

**Mr. Renouf:** Mr. Chairman, there is just one word, it appears to me which offers quite a little confusion, and that is the title to any premises on which buildings are constructed. Now that conveys to me, the word premises, as if it were buildings, "a title to any premises on which buildings are constructed."

**Mr. Curtis:** I think that is right.

**Mr. Renouf:** I don't think it is correct, because that is a building on top of a building, as it is written there now.

**Mr. Curtis:** I don't think, Mr. Chairman, premises mean what is built on a building.

**Hon. M.P. Murray (Prov. Affairs):** Why not put in the usual phrase. "land and premises."

**Mr. Renouf:** I bring that up for this reason. I asked the Minister of Highways in whose title the land is purchased, and the answer was "In Her Majesty's Name in right of Newfoundland." Well then, we find here that, "when the title to any premises be vested in the Newfoundland building corporation." There is a bit of confusion there.

**Mr. Smallwood:** The ownership of the Newfoundland Government Corporation Limited will vest probably in the Minister of Public Works, in whose name virtually all property of the Queen in right of Newfoundland is vested. So the Minister of Public Works, acting for the Queen, will own the share of this company which in turn will own all the property.

**Mr. Renouf:** That is quite true, but on the matter of "the premises."

**Mr. Smallwood:** It is questioned whether the word premises means land or buildings. It is the land.

**Mr. Renouf:** If the land then to be conveyed to this corporation by Her Majesty in right of Newfoundland?

**Mr. Curtis:** Yes.

**Mr. Renouf:** The word "land" would avoid any possible confusion.

**Mr. Smallwood:** If the Attorney General would move to substitute the word "land."

**Mr. Curtis:** Yes, I move that, Mr. Chairman.

Motion, that the word "land" be substituted for the word "premises" carried.  
Clause 3 as amended carried.

**Mr. Hollett:** Before we go on I would like to know if that includes the title of the buildings?

**Mr. Curtis:** The buildings belong to the person who owns the land. If you own the land you own what is on it.

**Mr. Hollett:** That is in right of Hansen & Hansen until paid for twenty-five years hence.

**Mr. Curtis:** No, this building corporation will own the land and own the building, but they will mortgage it to the people putting up the money. It is just a case of title being vested in this corporation.

**Mr. Renouf:** Leave it to the company or mortgage it?

**Mr. Curtis:** I think it will have to be mortgaged to the people who put up the money. That mortgage would be on the building put up by this company, the Newfoundland Building Corporation. The Government could not mortgage anything, but this company, which is controlled by the Government can, and I presume the money would be lent on a mortgage debenture.

**Mr. Renouf:** Loaned to this Newfoundland Building Corporation?

**Mr. Curtis:** They would be the one, yes.

**Mr. Renouf:** But, Mr. Chairman, the title—I understand from some the previous reports that the Government must convey clear title to the company. Therefore we have to get clear in our minds whether the

title to this land, purchased in the Name of Her Majesty, is to be conveyed to this corporation, and is that corporation a Crown corporation, then is it going to retain the title, or is it going to convey it to the Whitney concern or hold on to the title of the land but convey the building?

**Mr. Curtis:** As my hon. friend knows, the title to the building is the same as the title to the land. The proposition is that this land will be conveyed by the Government to this corporation, the Newfoundland Building Corporation, and that corporation will hold the land at all times, and it will be this corporation will make the lease to the Government. In other words, Hansen & Hansen won't appear in the picture at all as far as the building is concerned, title will be in the corporation. The corporation will make the lease with the Government, the corporation will borrow the money from the people who put the money into it, the corporation being set up as up as a figure head to act as lessor of the building, to act as mortgagor of the building and receives the monies and pays it out.

**Mr. Renouf:** That is not what the memo says.

**Mr. Curtis:** It has been altered. The idea of incorporating that building corporation is a new idea, so as to look out for the taxation position.

**Mr. Renouf:** I can see that, Mr. Chairman. The corporation is under the recommendation made by Peat Marwick & Mitchell and possibly concurred in, no doubt, by the Government. It is a device to overcome the taxation situation. But I would like to be positively sure that they mean by this; the building shall be vested in us. The title shall pass to our company by the payment of one dollar.

**Mr. Curtis:** That has been altered. This is a new scheme, this variation. Surely we can improve on a scheme if we find, by carrying out the original, we pay ten percent income tax.

**Mr. Renouf:** I am only trying to clarify this very interesting piece of business. We are

not doing anything other than making sure that we have got our complete record. After all, it is alienation of title, and I would suggest, in all sincerity, and from no ulterior motive, but because there is something that I am not satisfied about in this setup as it is. I do not feel that all aspects of the matter are clarified. That was not of so much vital significance but it could be in the future. It could be the subject of litigation in time to come and it could land us in a horrible snarl.

I do not wish, you know, to delay nor to put unnecessary obstacles nor criticism in the way, but I am afraid I have some other comments to make, where there are several traps. I fear this is going to need a bit of study. My hon. friend, the Attorney General and all concerned, I think, in the matter could give it another day. I am not one of those who mind too much as long as the sense of the thing is correct. We understand what it is all about, but nobody takes a chance on understanding this twenty-five years hence. We want to see that everything will stand up in the light of time. I would make the suggestion, Mr. Chairman, that we be given another day or another two days, not for the sake of delaying the thing, but just to check that none of these ambiguities or these uncertainties are allowed to remain. I think it will be a better job for a days hoist.

**Mr. Chairman:** It being now six o'clock the committee will rise, report progress and ask leave to sit again.

**Mr. Smallwood:** Yes, and let this matter stand.

Mr. Speaker resumed the Chair.

**Mr. Clarke:** Mr. Speaker, the Committee of the Whole considered the Bill, "An Act To Provide For The Erection Of A Provincial Government Building," and directed me to report progress and ask leave to sit again. On motion, report received, committee ordered to sit again on tomorrow.

On motion, all further Orders Of the Day do stand deferred.

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

Thursday, September 4, 1958

(Afternoon Session)

The house met at three o'clock:

**PRESENTING PETITIONS:**

**Mr. A. Mifflin (Trinity North):** Mr. Speaker, I beg to present a petition on behalf of the people of Hatchet Cove and St. Jones Within, in the District of Trinity North. The prayer of the petition, Sir, is that the road be extended to these places from Hillview, Trinity Bay. I support the prayer of the petition, and ask to have it laid on the Table of the house for referral to the Department to which it relates.

**Hon. S.J. Hefferton (Minister of Welfare):** Mr. Speaker, I have very much pleasure in supporting the prayer of the petition presented by my colleague. On motion, petition received, to be referred to the Department to which it relates.

**PRESENTING REPORTS OF STANDING AND SELECT COMMITTEES:**  
None.

**NOTICE OF MOTIONS:**None.

**NOTICE OF QUESTIONS:**

**Mr. G. Nightingale (St. John's North):** Mr. Speaker, might I ask a question at the present time?

**Mr. Speaker:** When I call the Orders of the Day.

**Mr. Nightingale:** Or at this time tomorrow, it does not make any difference.

**Mr. Speaker:** A question of which notice need not be given, a simple question may be asked when I call "Orders of the Day".

**Mr. Nightingale:** This is a question regarding a petition which was presented two days ago, and which was verbally answered by the Minister of Highways when he said he had no responsibility for it. The question I want to ask the house is whether he does or not — and I leave it to the house. I will give notice of that for tomorrow at this time.

**Mr. Speaker:** Does the Hon. Minister of Highways care to comment on that question now, or merely take notice of it?

**Hon. G.J. Power (Minister of Highways):** Mr. Speaker, in connection with the well at Portugal Cove about which the hon. member complained was spoiled by road work in preparation there a couple of years ago — that job in Portugal Cove was done by Concrete Products (I think I am correct) and any damage they did to private property in that area, they are responsible for it. So that I have certainly no responsibility and nothing to do with it. If they did damage to property, I think they should look after it.

**Mr. Nightingale:** Mr. Speaker, I contend that well is used by fourteen families. What do they do, sue Concrete Products, the Government or Minister of Highways or Public Works; or the Federal Government? This community well takes care of fourteen families — They should build a new well and provide water for these fourteen families before the winter. I think it is "steering around the rock" to say Concrete Products is responsible. Are these fourteen families to go to Concrete Products and get a new well? It is ridiculous.

**Mr. Speaker:** Order! The hon. member cannot make a speech at this time. Are there any other answers to questions?

**Hon. E.S. Spencer (Minister of Finance):** Mr. Speaker, I beg leave to table the answer to Questions No. 72, 73, 77, on the Order Paper of Wednesday, September 3rd. I have sufficient copies for member of the house and presumably the press as well.

**ORDERS OF THE DAY:**

**Hon. M.M. Hollett (Leader of the Opposition):** Mr. Speaker, before proceeding to the Orders of the Day, with the permission of the house I would like to direct this question to the Hon. the Premier. Could he advise the house at what time we are likely to receive some more Hansards? I think the last one we had was in 1951.

**Hon. J.R. Smallwood (Premier):** Yes, I in-

formed myself on that matter recently because I thought that in all probability the hon. gentleman would ask the question and I wanted to be able to answer it. I think within a couple of weeks.

**Mr. Hollett:** That would be up to what year?

**Mr. Smallwood:** That I do not know; perhaps two years, perhaps three — I am really not sure. I'll know that within a couple of weeks.

**Mr. Hollett:** I wonder also, Mr. Speaker, would the Hon. Minister of Economic Development advise the correct position at the moment with regard to Superior Rubber. The reason I ask is because I have knowledge the plant was still functioning.

**Mr. Smallwood:** The position is that the building itself is rented, at least part of it, is rented to the American Encaustic Tiling Company, and that provides some slight income which is however sufficient to pay the cost of the watchman's services on the building, and the check is received in from one, and issued out to the other. I think one of the homes is rented to the local school board, and another of them is rented to the local school board and another of them is rented to the local magistrate. That constitutes another trifling sum, but those more that pay the cost of the watchman's services, and I imagine (but I really don't know this) but I imagine something of the fire insurance.

**Mr. Hollett:** May I ask the Hon. Minister of Economic Development — There must be a staff. Cheques are being issued. Could the Minister tell me just who is in charge of the operation of Superior Rubber Company?

**Mr. Smallwood:** I think it is entirely likely that a member of the staff of the Auditor General.

## ORDERS OF THE DAY:

### BUDGET DEBATE:

Committee of Ways and Means — Adjourned debate on the Budget Speech.

**Mr. A.M. Duffy (St. John's Centre):** Mr. Speaker, although I was not asleep yesterday afternoon it does appear I missed something — I noticed in the "Daily News" this morning a very warm account of the proceedings of yesterday afternoon. Of course, having heard last week about the inaccuracies of reporters, I do not know if what took place was actually properly accounted. I suppose I will have to wait for Hansard to read it in its accurate form, if I am spared that long.

Mr. Speaker, the other members of the house have listened with me I am sure, to a very well delivered Budget Speech from the Minister of Finance. Since then I have taken time out to read it carefully. Of the twelve pages of the Budget Speech, relatively little space was given to purely and strictly budgetary matters. Extensive reference is made to the McNair Commission, Term 29, and of course the effect and results of Confederation, and a brief reference to that brave little clan known as "Smallwood Haters", which is heard periodically in this Chamber, and again the brief expression in the interesting realm of numberology and the significance of the number "ten" as related to men, nations and provinces. I may be obtuse but frankly the reference is a little above my head. I personally would be inclined to think the number seven has greater significance. Man comes to the use of reason at the age of seven, at least most men do. I believe there are seven days in a week, there are seven years of plenty and seven years of lean, and the multiplies of seven, fourteen — \$14 million etc.

The Minister of Finance makes this striking observation in his Budget Speech. "It would be the sober truth to say that Newfoundland has advanced in the field of public services in these ten years. Indeed it would be the sober truth to say that Newfoundland has developed further in the field of public services in these ten years than she has done in the previous one hundred years." Now that is a statement of the truth which could not be questioned, but I think it is an idle reference; because in the past fifteen years Newfoundland's revenues have been immeasurably far in excess of the past nearly one hundred years. I will say, Mr. Speaker, that it is also the sober truth to say that Newfoundland should have advanced

further in the field of public services, with the financial resources at the disposal of the Government during that period. If the many million dollars poured down the drain had been diverted to public services, then they would have been far higher and consequently the McNair Report would have to be much better. There have been few really major improvements in the standard of public services, and difficulties of the past have not been substantially overcome. The Minister of Finance said also, in his Budget Speech, that Newfoundland lags pathetically behind the least developed Province. I say, Sir, that it can be laid squarely at the feet of this present administration, that the level and standard of public services are not much higher than they are. Now, with reference to the McNair Report; I do not propose to make extensive references to this report. All hon. members, I am sure, have read this report, and we are as one with the Government in feeling that the award of the recommendation of the reward of \$8 million is inadequate. There is just one reference I am going to make, briefly, to this report. On page 40, where the recommendation is made, there is, to my mind, rather an extraordinary sentence. "However, we must assume that the recession is no more than a temporary condition. Whether or not, under normal conditions in the future, the revenues will rise sufficiently to meet the expenditures necessary to continue public services at the levels and standards reached is a question which cannot be answered with any degree of certainty on the basis of information now available." Then a few sentences later they came up with a recommendation of \$8 million.

Now, I certainly do not profess to be an economist, but I think I have a little fundamental knowledge of home-spun accounting. Certainly it does not make too much sense to me, in view of that very definite feeling of the McNair Commission that there should be no door left open for periodic revision, an escalator clause — As I say; maybe only an economist can understand. That does not seem to me to be too consistent. However, Mr. Speaker, I am sure that the present Prime Minister, the Rt. Hon. Mr. Diefenbaker (I may say "D" for Diefenbaker and "D" for dedication) We all know the views of the present Prime Minis-

ter, a man who is dedicated to his job, to the development of Canada, to equal opportunity, and I personally, and I am sure that many share my views, have no doubt at all that Newfoundland will get justice from the present Federal Government, the head of which is the Rt. Hon. Mr. Diefenbaker.

The Minister of Finance also said in his Budget Speech that a token vote is provided in the estimates for rural electrification. I believe the amount is \$1,000. Now, that was astounding to me to hear that because earlier in the year, prior to the Federal election, we heard a very dogmatic statement in this regard from the Premier, and I frankly expected to see a far more substantial vote in the estimates for this particular project. It must be remembered, too, that in this all-time-high revenue estimate, \$74,000,000 is included the amount of \$13 million emanating from the McNair recommendations. One wonders if this is not another scheme of the government, that comes to the surface at regular intervals and oddly enough on the eve of the election.

Now, with regard to public accounts: I do not know whether it struck other members as it struck me, but when I took up the public accounts to examine them I found that we are just about two and a half years behind from the standpoint of the end of these expenditures. It seems a useless chore to discuss financial information which is so far out of date. Now, Sir, this position is aggravated by the erratic practice of the government in opening Parliament when it feels in the mood. It would be bad enough if these public accounts were available immediately after the end of the last fiscal year, or the beginning of the next fiscal year. Now I realize that it takes quite some time, I suppose, for the preparation of these accounts. But, be that as it may, we are considering public accounts many of which are two and a half years old. As I said, it does not make too much sense. However, these are the only official reports we have of expenditures and we must do the best we can. I think it will be agreed that we on this side, frustrating as the job may be, and serving little purpose except perhaps on occasions like yesterday, we nevertheless have a duty to point out from the financial reports, the estimates and public accounts, what we feel

are weaknesses, and to make our comments to the best of our ability.

In the public accounts, Mr. Speaker, I am sure you will have noticed the reference in the Auditor General's report on the new industries with regard to fire insurance. These new companies, or so-called new companies (they are getting a little bit frayed now) are required to take out insurance coverage to the amount of Government loans and in some cases, indeed, they are further required to make any losses payable to the government. In the case of twelve companies, the Auditor General points out, this insurance falls far short of what is required by the agreement, and in the case of North Star Cement Company, a mere \$300 thousand is carried and the loan from the government is over \$5 million. What the answer is I do not know. It would appear to me to be complete indifference on the part of the government to protecting the public monies. I suppose some cases where the assets of the company have dwindled, or maybe never existed to the amount of the loan advanced, that might just be that there are not sufficient fixed assets to equal the amount of the government loan. Consequently, I suppose, they could not be over-insured. But, surely, in the case of North Star Cement Company, where there is a loan of over \$5 million and the amount of insurance a mere \$300 thousand, it seems to me to be completely senseless — As I said whereas this is odd, whether anything has been done about it I do not know, but certainly it would seem the government, to say the least, appear to be missing their duty in this respect.

With reference again to the public accounts, Mr. Speaker, a few short years ago these payments on government loans amounted to \$477,000 and in a very short few years these interest payments have soared to astronomical figures, a figure of \$2.5 million, and sinking funds have gone from \$411,000 to well over \$1 million per annum. Now this may not appear to be startling in the light of our potential in Newfoundland, but the important thing, in my mind, to point out is the relatively short time in which these figures have soared. Now another loan is in the cards for \$14 million with a loss, I imagine — and I think I am quoting the Premier correctly, at least I read this in

the newspaper — (It may not be too accurate) the expense of this issue will be in the vicinity of \$400,000. I imagine that, in the present market, the government would not succeed in getting this money for less than five percent and it will probably be more. This would mean another \$700,000 annually plus interest costs and, I presume, a similar amount for sinking charges.

Now, in the early days of this administration the head of the government made this possibly impulsive statement — that this government would not borrow — I am sure we are all agreed borrowing in itself is not an evil. I think that if two factors are present in borrowing, whether it applies to an individual or a corporation or a government, if the factors of wise expenditure and capacity to repay are present, I think borrowing is a very good thing, and it can be a very good thing. That these two economic requirements are not practiced to a marked degree by the government is certainly not the over statement of the year. I do not propose to weary the house with a recital of the unsound policies of the government, the new industry fiasco, the \$25,000 a year director general who apparently felt underpaid and took about ten or fifteen years advance on an imaginary salary; the \$25,000 three man fishery development authority board whose function it is rather difficult to ascertain. I could go on, Mr. Speaker, but to little purpose.

Regarding capacity to repay I feel that one little incident here is revealing. When I had the misfortune last year to collide with the Premier and with the Attorney General and with the Minister of Labour regarding my observation on a loan of \$250,000 from the Workmen's Compensation Fund, I learned a rather interesting thing. Directing a question to the Minister of Finance, who was kind enough to give me the information I requested, revealed a memo from the then Minister of Finance which stated it was clearly impossible to repay this loan from the existing resources. I doubt very much if that loan has been paid yet. I doubt it very much indeed, despite the fact that my latest records are about a year and a half old.

**Hon. E.S. Spencer (Minister of Finance):** Would the hon. gentleman like to ask that question again?

**Mr. Duffy:** I would, yes.

**Mr. Spencer:** Go ahead! We will put it on paper.

**Premier Smallwood:** The answer is that it has been paid. The hon. gentleman is quite wrong.

**Mr. Duffy:** There has been another loan since then?

**Mr. Smallwood:** Probably several, and there will be several more.

**Mr. Duffy:** In the same amount?

**Mr. Smallwood:** Varying.

**Mr. Duffy:** Blindfolding the devil in the dark!

**Mr. Smallwood:** It is a perfectly normal event, and the hon. gentleman knows that.

**Mr. Duffy:** I do, yes! I feel that loan will go on forever, relatively speaking. Now, Mr. Speaker, early in the session I had occasion to draw the attention of the house to a number (in my opinion and at any rate my opinion is shared by thousands) of extravagances, senseless extravagances of the government. One hon. member expressed astonishment that I should say such a thing, and he asked to be informed of these extravagances, which I enumerated at the time. Time did not permit me to enumerate a complete list, but among them I mentioned the Fishery Authority. Time did not permit me to make any extensive reference to this senseless piece of extravagance. I would like to say at the beginning that I am referring to that in a very impersonal way. It is not easy to discuss the merits or demerits of a small board (this particular board has three men) and I would like to say, right here and now, that I am not questioning the ability of these three men; although I must say too that I do not know of any specialized qualifications they have for fishery development. In a general way, I do not question their qualifications except in their function as members of this Fishery Development Authority. It is very obvious to anyone who has the slightest knowledge of the op-

erations of this board since its inception that it is neither an authority nor a developing operation. As a matter of fact, from what I know and from what I have seen of the reports of this particular board, they have done nothing that could not very well have been done by the Department of Fisheries. As a matter of fact, there are many things that have been done that would have been much better left undone, and the public treasury would probably be in a better state of health today than it is.

The huge expenditures for plants, Mr. Speaker, which were to be experimental and producing but which, in fact, are neither, certainly do not appear to justify the elaborate plan of remunerations. I wonder, Mr. Speaker, if the Minister of Fisheries agrees that this three-man board, from the function they are performing (that is the only way I can designate this) if the Minister himself agrees that this three-man board is worth \$75,000 a year plus other benefits: — I doubt it very much. I doubt if the Premier agrees. What I have said is strictly the accurate truth, it is just fantastic and just another indication, if it were needed, of the unwise financial policy of this administration. I wonder how the harassed fishermen of this country feel about this type of expenditure and financial policy and administration.

Another matter I feel justified in making some reference to: — A few days ago we heard a very lofty exposition on the dignity and decorum of Parliament, and virtuous indignation was aroused about newspaper reporters who spoke of "shouting Premiers" and "Leaders of the Opposition."

**Mr. Speaker:** Order! I allow a great deal of latitude in the Budget Speech, but I think that is out of order. I do not think that is relevant and I think it also infringes the rule of previous debates. If the hon. member will excuse the interruption, I would like for him to remember that it infringes on the rule of previous debate.

**Mr. Duffy:** Mr. Speaker, I certainly am not in the position to disagree with your ruling, but I thought the reference was relevant for this reason: — I feel that the essential function of this Parliament, and the proper exercise of the duties of this house, is of far

more importance than a mere formality. I think the shadow is mistaken for the substance here, in my humble opinion; but I won't say this because it will be out of order; you can tell me, Mr. Speaker.

**Mr. Speaker:** If the hon. member thinks he is going to be out of order, he probably is.

**Mr. Duffy:** I am not sure. I do not know the rule here — I was going to say that, in my humble opinion, I could stomach "shouting Premiers" far more easily than the rights of Parliament being trampled upon. Legislation actually in effect long before it is brought to this house clearly puts us, the members of the house, in the very undignified position of rubber stamping what the government has done long before.

Now, the other day when the Premier made an extended reference to this proposed new provincial building, when legislation was coming before the house in this connection

**Premier Smallwood:** Is this in order, Mr. Speaker? There is a Bill before the house.

**Mr. Speaker:** I think that again infringes on the rule of previous debate. I think that has been discussed, and that matter, I believe, is still before the house. The hon. member, therefore, will have an opportunity of speaking to that Bill later on in this present session. The hon. member will have an opportunity of making any remarks he cares on this particular matter later on in this session.

**Mr. Smallwood:** Not on the principle of it because that has been adopted.

**Mr. Duffy:** In concluding my remarks I am going to say a few words which I feel are based on common sense, and having in mind the Budget and Estimates we had the other day, that we are — and I think every member will agree — rapidly reaching a leveling off period in Newfoundland. Term 29 will soon be implemented and thus bring finality to the financial terms of union.

**Mr. Smallwood:** There is no such thing.

**Mr. Duffy:** The Atlantic Provinces grant

will cease in three or four years and may or may not be renewed.

**Mr. Smallwood:** It will certainly be renewed. Certainly!

**Mr. Duffy:** That is not so. We do not know that.

**Mr. Smallwood:** There has never been anything granted yet not continued. That is a fact in Canadian history.

**Mr. Speaker:** Order!

**Mr. Duffy:** The time has come when we are, in my opinion, bound to think in terms of living within our income. Even after the lavish spending of the "best eight years" we are still now pushing towards a slight recession. Members, for the past few months returning from their district, report distress. The Minister of Finance in his Budget Speech said Welfare had to spend \$2 million extra last year, if we were to avert hunger. Or to use his own words: "if hunger were to be avoided." Geographic disadvantages, our vulnerable economy, and problems of public services peculiar to Newfoundland, all combined too point up the fact that our future is unpredictable and our way of life precarious. The only way that we can enjoy, with any degree of certainty, the standards of living that are limited to our circumstances is to think in terms of living within our income. To do otherwise is not realistic. Now, I realize the political implications of this statement, but I honestly feel that I am more realistic than certain members opposite me. The laws of economy apply to a government just the same as they do to me personally, running my personal business affairs — these same laws apply — and if we do otherwise as a government, the inescapable laws of economy will make the last state worst than the first.

(Applause)

#### BUDGET DEBATE:

**Hon. M.P. Murray (Minister of Provincial Affairs):** Mr. Speaker, I do not propose to speak at any great length, but there are one



or two reasons which compel me to say a word or two. The first reason, Sir, is that I think we are going through a very crucial and critical time in our history. There were also a few observations made by my learned friends over there yesterday and today, the member for St. John's Centre and my hon. and learned friend from St. John's South. There are certain statements which they made with which I would like to take issue.

The hon. member for St. John's Centre has just sat down, seemed a bit critical of, I would say, the admirable speech of my colleague the Minister of Finance, in as much as he made rather extensive references of the Terms of Union. I believe, Sir, I am going to bring my criticism a little further, because I do believe that Term 29 is the paramount factor as far as this session is concerned.

(Mr. Speaker left the Chair and Mr. Clarke took the Chair as Speaker)

This session is completely unique in this respect, because of the fact that by the time the house meets again, we hope Term 29 will be disposed of and the curtain will have rung down, finally and irrevocably, on Term 29. That, Sir, is a very important point in our history because, from the instant that Term 29 is finally disposed of, our position vis-vis the rest of Canada will never be the same again. In fact, it is very improbable, or in fact impossible, that we or any other part of Canada will remain as we are today or as we were ten years ago. There is no doubt that Canada will expand. There is no doubt that Canada will not always remain with ten Provinces. In the not too distant future, there is no doubt the Yukon and Northwest Territory will be looking to become provinces of Canada, to help us arrive at nationhood.

There is no doubt also that in the future Newfoundland will be looking to Ottawa, just as every other province does, just as the continued pressures are always on the Federal Government from the West and from the Prairies Provinces and from Quebec and Ontario and from the Maritimes. But, Sir, when we approach the Federal Government then, our position will be very different. We will approach it then on an entirely different basis, under the Royal Commission's Report, under these recommendations which I believe are the basic

statement of relationship, between the Dominion and Provincial Government. But we will not be in the position in which we are today, and in which we were ten years ago, because, Sir, our present position under Term 29, is as everybody knows, (and the point was made very well by my colleague yesterday) based on a contract, a contract between two Sovereign Powers. At that time, ten years ago, when we entered into Union, Newfoundland was a Sovereign State. Although our population and resources were infinitesimal, compared with those of the other party with which we were dealing, still, in the eyes of the law and under the Statutes of Westminster, we were equals.

So, Sir, I say that the suggestion that the curtain is finally going down on Term 29, is a very crucial and critical situation. We know, Sir, that the recommendations of the commission which sat under Term 29, have caused discontent (and, Sir, it is not too much to say that there has been universal dissatisfaction and discontent. That, Sir, in fact is the most noteworthy thing about it, how universal and how instantaneous and how widespread that dissatisfaction and that discontent has been. Anybody who professed to know anything about our affairs, newspaper writers, members of Government, members of the Opposition, all spontaneously and invariably have expressed their discontent with the Terms of Union as they stand).

Now, in this situation the Government is faced with two alternatives. It could have accepted these terms as they stood, and in doing so they could have avoided some embarrassment and perhaps some frenzied financing, which my friends over opposite take exception to. On the other hand, that would have slammed the door irrevocably and finally and forever on Term 29. They could have done that, or they could have done what they have done: to welcome the stand taken by the Prime Minister in saying that further attention and further study would be given to these terms before they were finally settled. Sir, in passing I might say that the Opposition might have also taken two stands. It was indeed a very good occasion for them to make political hay, if they desired to do so. They had the opportunity to embarrass the Government in some

respects if they chose to do so. But, Sir, I say, it is to their credit that they did not. They acted as truly patriotic Newfoundlanders in supporting the motion here yesterday. I think that will stand eternally to their credit. Because, Sir, I believe the fact that this motion yesterday was unanimous will have great effect in Ottawa. I believe it will add great weight to it and give much greater credence to our claims when we say — and I think I am quoting the Minister — when we say these amounts are “absurdly inadequate”.

Sir, in his speech the Minister first of all permitted himself to take a glance back and reviewed very briefly the strides that have been made in government during the past ten years — “Ever since Confederation came into effect,” He said, I do not think it was an understatement that, during the past ten years phenomenal strides forward have been made in all our public services. I know my hon. friend opposite, who just sat down (Mr. Duffy), disagrees with that statement. I just heard him say that during the past ten years very few improvements have been made in public services and few deficiencies overcome.

**Mr. Duffy:** That was the McNair Report — I quoted verbatim.

**Mr. Murray:** I do not know where it comes from but it seems quite a few of the deficiencies have been substantially reduced. I say, Sir — whoever made that statement — it is almost an extraordinary one. If anyone who has been living in Newfoundland for the past ten years, and in public life, or who has been close to the people in his constituency; looking back, Sir, to education, to health, to welfare, to municipal development, housing, looking back at these things ten years ago and looking at them as they are today — Take education, for instance: — Look at our education set-up ten years ago, Sir, and look at it today. We all know what it was like ten years ago. In fact, we do not like to look back on it. It is a thing to be ashamed of, and I have often been ashamed of the educational system, as it obtained up to a few short years ago. I remember in the army, men when asked their occupation in civilian life said they were school teachers, men barely literate. I am not telling one

word of a lie. I have seen the amusement or astonishment on the faces of Englishmen they told it to, and I was ashamed and blushed for Newfoundland. We all know that is absolute truth — men with the bare qualifications of literacy themselves classified themselves as educators for Newfoundland. It was a life which I suppose could be comfortable enough, certainly some poets seemed to think it was alright. But, Sir, the point of this is that in that time, twenty years ago, people were prepared to go along with it and to accept it. But I am as certain as I am standing here today that people have very different ideas today. People today are looking at the Mainland and see the services there, and they aspire at least to have something like these services. The people in Newfoundland think, I do not know whether they are justified or not, that they are entitled to have something like the roads there are in Prince Edward Island, something like the hospital facilities in Nova Scotia and to have something approaching the educational setup of New Brunswick. People are thinking along these lines and demanding these things should be done. We know, as the Minister pointed out, the lag is there. We are still lagging behind. But the people are demanding that that lag should be filled.

Now, Mr. Speaker, that is the background in which the present Budget Speech is written. We know that the lag has to be filled, we know we have to spend more money on education, we have to spend more on health, we have to spend more, far more, on roads, we have to go into the field of electrification, we have to spend money on our towns and on our municipalities. We know we have to do that, and that is why the Budget is framed accordingly. The hon. member for St. John's Centre said we are spending borrowed money. But, Sir, there is nothing extra-ordinary about that. There is not a province in Canada, not a State in the Union, not a municipality nor town council in all North America that does not borrow money, and if they borrowed money they have to pay interest and create a sinking fund.

**Mr. Duffy:** I said borrowing is not evil — I agreed with that.

**Mr. Murray:** Mr. Speaker, in the present

budget there are \$2 million a year more allocated for education. Who is going to say not to it? Who is going to say it should be reduced? We know what it is going for. It is to pay for better school teachers, which should ultimately result in better pupils and better education. We know it will go to pay for better schools.

**Hon. M.M. Hollett:** (Leader of the Opposition): Where will it mean better teachers?

**Mr. Murray:** By holding out better inducements, better salaries, scholarships. That is exactly what has happened, as the Hon. Minister pointed out yesterday. Even this year the result of the increase in salaries will be felt. Persons with more brains and more education and higher qualifications are going into teaching. Up to two or three years ago, Sir, the difficulty was to get anyone to go teaching. Now, according to the Hon. Minister, there are more applicants than we have places to fill.

**Mr. Hollett:** Are you insinuating our teachers have no brains?

**Mr. Murray:** Sir, this year there is an amount of \$250,000 set aside for scholarships and bursaries. Personally, I think that is the most forward thing this government has done — I really do, \$250,000. That has created 550 scholarships and bursaries. Sir, let us think for a moment what it means:— That means that a child of the poorest fisherman, living in the most isolated part of Newfoundland, at least has some opportunity today to raise himself up, an opportunity to get an education. Sir, that is a provision that is ultimately going to effect Newfoundland at least for the better. We may have to borrow money to build, Sir. I say we cannot afford to do without in the atomic age, when most people in the world are scouring the schools and colleges to get the best brains available for scientific training, Newfoundland just cannot stay back where it was with the educational system in vogue ten years ago. Health: We know Sir, we know what hospitalization means to a man today. Modern hospitalization is expensive, terribly expensive, completely beyond the average fishermen to cope with. I know myself, I have personal knowledge of independent

men, independent fishermen, who were crushed and bankrupted by sickness in their families. Sir, under the new National Hospital Scheme, which is costing money, and is certainly going to cost us money — It would be a very brave man indeed who would say that the amount in the Budget should be reduced. Similarly with our welfare, with our electrification and all those things. They must cost money. We have to get it, wherever it comes from. Take our roads, Sir. There is in the Budget, I believe, provision for \$11 million more for roads for this year than there was last year. I say that is absolutely and completely necessary. We have to build roads in this modern day and age. WE have to build roads. There is no question at all about that, when you think about this discontent and dissatisfaction. When any man goes abroad and drives, as he can drive today, from Florida to North Sydney and then comes to a dead end, it certainly, Sir, creates dissatisfaction and discontent and creates a feeling of frustration. Our roads just have to be built, cost what it may.

Sir, in this respect I would like to congratulate my colleague here, the Minister of Highways. I think a tremendous effort has gone into highroads in the last year, and this year a completely new system has been brought into existence. We know, we learned finally, there is no use trying to build modern highroads with horses and box-cars, in this modern age. I know that in my own district and whenever I go across the country I see the same thing, our roads are improving and improving fast. As I say, I tender my congratulations to the Minister of Highways for his efforts in bringing the system into effect.

Now, Sir, all this is boiling down to this: We have to make up this "lag" the Minister talks about in his speech, this lag between us and the least developed part of the Mainland. There is between the public services of Prince Edward Island, which is the least developed part of the Dominion of Canada, and the public services of Newfoundland a lag which has to be filled. Now that is going to cost money, wherever it comes from. Our ordinary provincial sources of money will furnish some of it. Some of it will come from proportionate grants from Ottawa to the Atlantic Provinces, and some has to come

from borrowing — and borrow we must. But, Sir, we must look still to Term 29, before Term 29 is finally disposed of. I think, Sir, it is not too late to make a further effort, and I think in view of what is involved, in view of what it means not only to this generation but to future generations of Newfoundlanders, while Term 29, is still open we should strain every nerve and exert every influence to get substantially more. We should do everything in our power to induce the Government of Canada and the Prime Minister to treat us with wisdom and generosity.

I was going to suggest, Sir, that at this time, while Term 29 is still under consideration, it might not be out of place (and I would like the opinion of the other members on it) if this house were to appoint a committee, a bi-partisan, committee, to go up to Ottawa and to put the brief of Newfoundland before the Cabinet when it comes finally to consider the terms. There are terrific implications involved. It is not a new thing, I know, for briefs to be submitted to the Cabinet of Canada. I happened to be on the Dominion Council of the Canadian Legion, and every year the Legion submits a brief to the Canadian Cabinet, and with striking results. The results we have obtained in the past have been really extraordinary. Now I would say is the opportune time. We have the men here with the knowledge, and with the situations as clear in our minds as it is at this moment, and we have the people with the facts and figures fresh in their minds. I would suggest, Sir, that a Committee be formed now, a bi-partisan Committee, including the Premier and the Leader of the Opposition and the best men Newfoundland has, to go up to Ottawa and finally place the brief of Newfoundland before the Executive Council of Canada and see if we can induce them, not to look at the cold letter of the Terms of Union, but to look at its spirit, which should induce them to treat us with wisdom and with generosity.  
(Applause)

**G. Nightingale** (St. John's North): Mr. Speaker, I would like to congratulate my friend on my right here on a very excellent speech.

**Mr. Speaker:** The hon. gentleman has already spoken.

**Mr. Nightingale:** Alright, I am out of order, Sir, but I still congratulate him.

**Premier Smallwood:** Mr. Speaker, might we have a recess for ten minutes. On motion, the house recessed for ten minutes after which Mr. Speaker resumed the Chair.

**Mr. Smallwood:** Mr. Speaker, I believe there is no desire on the part of any member to continue the debate on the Budget this afternoon, so, not with any desire to speak next, I move the adjournment of the Debate. Then the initiative will lie with the Opposition tomorrow as to which member of the Opposition wishes to speak first on the motion.

On motion, debate adjourned.  
Committee of the Whole on Bill, "An Act to Provide for the Erection of a Provincial Government Building."

On motion, Mr. Speaker, left the Chair.  
Mr. Clarke, Chairman of Committee of the Whole.

**Mr. Chairman:** We were discussing Clause 3.

**Hon. L.R. Curtis** (Attorney General): Yes Mr. Chairman. The hon. member for St. John's South suggested we strike out the word "premises" and put in the word "land". I think it would be better perhaps if we did strike out the word "premises" and also the words "on which buildings are constructed" and put instead of "premises on which buildings are constructed" the words "land and the buildings erected thereon." The side note then would read "Title to Land and Buildings." I move that, Mr. Chairman.

**Mr. Hollett:** Before that passes, Mr. Chairman, I want to be clear on where the title lies, because I read Plan "d" very carefully and it was my impression the title lay with the builder. Could anybody give me definite information?

**Mr. Curtis:** That was, Mr. Chairman, the original plan, but the question of Federal and Provincial Taxes came into it, and for tax purposes it was decided, and also for income tax purposes, it was decided the best way to do it would be to create a government

owned company which would be tax exempt and which would just be a company to hold the title, sort of intermediary.

**Mr. Hollett:** Any agreement signed?

**Mr. Curtis:** No agreement has been signed. If any agreement had been signed we would ask the house to ratify it, but because the agreement is not signed we are asking for that authority.

**Mr. G. R. Renouf (St. John's South):** Could we have, Mr. Chairman, a copy of that agreement to see and study.

**Mr. Curtis:** I am afraid it has not reached that stage. I would be glad to show my hon. friend the draft. It has not been submitted to the Government even yet. It is still not in the hands of the government.

**Mr. Renouf:** The agreement, as I see it, is the important point, because the proposals and the plans are one thing but the vital part of it is the agreement itself. I think it is a matter where we hardly know what we are talking about until we know something about the agreement.

**Mr. Curtis:** Yes, of course, Mr. Chairman, this just gives us authority to make such an agreement, it restricts us as to what we can do. I do not think that my hon. friend will find anything in the agreement not in strict accordance with Plan "d" as set forth. I might say the difficulty in getting an agreement like this done, the lawyers of one part are in New York, represented here by Mr. McEvoy and we are represented. The house will quite understand things like this take a long time to finalize. I don't know if we should or not disclose the original draft which we have. As I say, it has not been submitted to the government and is not ready to be submitted to the government, and therefore I think it would be improper for me to bring it into the house.

**Mr. Renouf:** Is there any opportunity for us to see and study it when the house closes? Now we have only had time to study an "Act to Enable the Government to Enter into An Agreement" and it is only the superficial part of it that is under consideration at all.

**Mr. Smallwood:** Could the Opposition see the agreement itself once it is made?

**Mr. Curtis:** Of course! It will become public property, in fact.

**Mr. Renouf:** But we will be denied any assistance or comment we might be able to offer in it.

**Mr. Smallwood:** We have, on previous occasions too, asked the Opposition to place themselves in a position to offer themselves as active advisors in the ranks of the Government and they, in their wisdom declined to avail of this opportunity. So that I think we must take full responsibility for governing while we are here.

**Mr. Renouf:** But, Mr. Chairman, any assistance which the Opposition can give has been readily offered, and a precedent of the past is hardly in keeping with the circumstances of that time.

**Mr. Smallwood:** The hon. gentleman is surely not suggesting that the assistance of the Opposition be asked in drafting an agreement. I think the Opposition have no responsibility at all for making of the agreement. They have the responsibility for criticizing it after it is made. The responsibility for making it is entirely the government's. Is that not so?

**Mr. Renouf:** By implication, you reject any help the Opposition might be able to give?

**Mr. Smallwood:** In legislation, in analyzing legislation, it is their duty and we must listen, but in the making of a legal agreement—

**Mr. Hollett:** There are \$8 million at stake.

**Mr. Smallwood:** If it were \$80 million, \$800 million, a billion, the making of the agreement is for the government and for its lawyers. The amount is not the point.

**Mr. J. D. Higgins (St. John's East):** "That the government be authorized to enter into an agreement," that has been adopted, that we authorize the government or responsible Minister to enter into an agreement.

Now that the type of agreement he enters into is his responsibility and we have to consider that. Surely it gets beyond the stage then of the house once it is the principle.

**Mr. Curtis:** Would it not be ludicrous to think a government would bring in a deal, to bring it in here and discuss it item by item while still in the negotiation stage? We would never get it done in this world.

**Mr. Renouf:** I do see some practical point, Mr. Chairman, but I still do not see any reason to reject the contribution which the talent of this side could give. I do not know whether I can press any further the Hon. the Attorney General. While on my feet, Mr. Chairman, the Hon. the Attorney General has said that the title will vest in a Crown Corporation. Then he said the Crown Corporation would hold the title. Well I have just been wondering how that can be possible, for a Crown Corporation to hold the title.

**Mr. Curtus:** The position, Mr. Chairman, should be very clear to any member, and particularly clear to those members of the house who are lawyers. Hansen & Hansen are going to build a building. The land is to be supplied by the government. We are not making this land over to Hansen & Hansen. We are organizing a company already incorporated, called the "Newfoundland Government Building Corporation." We have set forth that the Corporation will own the land. The land will be vested in that Corporation, and the Government will hold all the shares in that Corporation. The consideration of these shares will be the land. It will just be as simple as that. Then, in future, the new Corporation will borrow the money to build the building and they will borrow it on the strength of their own security, the land and the building on it. The government won't appear at all in the picture except as a leasee of this building, and the Government will pay rent to this building corporation, and this building corporation will pay the interest and amortization to those who put up the money. I think that is very simple—if I can make it any more simpler—

**Mr. Hollett:** It is not in keeping with Plan

"d" in any way, shape nor form. That plan we were given, and all the correspondence from various people. That is the plan referred to mostly, Plan "d" and in that case title is to remain with Hansen & Hansen and also they are to finance it. Now we are told this Crown Corporation is going to be doing the financing.

**Mr. Smallwood:** Do what financing?

**Mr. Hollett:** That is what the Attorney General just said.

**Mr. Curtis:** No! The financing will be done by Savings Banks in the States, through this Newfoundland Corporation. It is just really that we have created a dummy. In addition to Plan "d" there is a dummy being created in the person of this Newfoundland Company.

**Mr. J. D. Higgins (St. John's East):** I am tempted to call it a "fake" company.

**Mr. Smallwood:** I think the hon. gentleman is only joking. That is only a joke, to refer to a company to build this huge building as a "fake" is very regrettable.

**Mr. Higgins:** The Hon. the Premier is unduly sensitive. I never intended it only as a joke.

**Mr. Duffy:** Mr. Chairman, might I ask, since the agreement will not be available for discussion in the house, is it in order to ask anybody anything about that Plan "d"?

**Mr. Smallwood:** Of course it is!

**Mr. Duffy:** There is one thing, I wonder, with reference to the annual charge for the repayment of this loan—I believe I did mention the other day and deferred it for this stage—is this money to be refunded? I presume it is in American currency.

**Mr. Smallwood:** This is in American currency, yes.

**Mr. Duffy:** Is the Crown Corporation protected against the vagaries of exchange?

**Mr. Smallwood:** No.

**Mr. Duffy:** Well, it is quite possible and has happened often in the past ten or twelve years that American currency was at a premium instead of a discount. If six hundred odd thousand dollars are paid annually it could conceivably come about that it would be plus ten or eleven per cent.

**Mr. Smallwood:** It is possible, yes. It is also possible for it to be the contrary. Both have happened in the last ten years, and in the next ten years, both, I have no doubt, will happen again.

**Mr. Duffy:** Do you think that eventually should be considered, because it runs into a tremendous amount of money?

**Mr. Smallwood:** We feel they will cancel each other out, the period during which American funds will have a premium against the periods during which we will have a premium in favour of them. We all have to act, and government all across Canada floating bond issues in the United States in the last ten years have done so with the clear-headed knowledge that the rate of exchange might be in favour of them, and might be against them. In the last ten years it has been both, and in the next ten years, undoubtedly, it will be both. We either have to stop doing business with the United States or take the chance that the rate of exchange will not be against us and not in our favour, and that both will balance out. In every Province of Canada they are doing precisely that.

**Mr. Duffy:** Mr. Chairman, I understand Hansen & Hansen and many of these companies have Canadian subsidiaries with ample funds in Canadian currency. Was that considered at all?

**Mr. Smallwood:** Mr. Chairman, I may say, for the benefit of the committee, that we held this thing up for weeks on that point. On balance, we thought that we would prefer to have it in Canadian currency. At least that is our own currency, Canadian currency. We did not feel that we were taking a very great chance not to have it in our own currency, but on balance preferred to have it in our own currency. So we held this thing up. I do not know for how many weeks we

held it up, and we had our financial agents in Montreal go into the matter. They asked us again and again to hold off, to give it a big longer and longer. So weeks passed until finally we gave them another weeks notice and said that at the end of that, if they could not do anything about it, we would go straight to the United States. Now this was at a time of tight money, which incidentally is still very tight right across Canada. It has not been made any easier by this \$6 billion transaction of recent weeks, this six thousand million conversions, raising the interest rate to four and a half percent. The Canadian Government today pays four and a half percent, a terrific rate to pay. That has not made the tight money situation across Canada very much looser nor easier. At the time this was being negotiated, this was a period when money was quite tight. So that in the end we said—"alright, we will take the same chance that every province of Canada, without exception, has taken ever since the war ended, and we think will continue to take." We have taken that same chance.

**Mr. Duffy:** Why take so long if it is a sound deal?

**Mr. Smallwood:** We say, on balance we would rather deal in our own Canadian currency and we held it up for weeks in the hope it could be done in our own Canadian currency. In the end, we found it could not because there is more money in the United States than in Canada, more investment money in the United States than there is in Canada. Furthermore, there is more of a gambling spirit on the part of the American people and the American investors than there is in Canada. These facts are well known.

**Mr. Duffy:** I still think it is a long chance.

**Mr. Hollett:** Mr. Chairman, before you carry that, there is one thing of which I want to be sure. Plan "d" provides for all services performed and long term financing been taken in the name of the company. I take it there is not a possibility of this Crown Corporation having to get a loan and this Government guaranteeing it?

**Mr. Smallwood:** Not a chance—Not at all.

**Mr. Duffy:** Mr. Chairman, I do not want to hold up the Committee on this. I think myself it is extremely important, and I will tell you why. If, during the period the American exchange is at a high premium—I have had this experience before—the exchange varies considerably. I had certain American transactions in my own business and sent a business cheque to the concern with whom I was doing business. I remember on one occasion I sent a cheque and I lost twenty-two percent on the exchange. These are things to be considered. I lost twenty-two percent due to foreign exchange. These are things to be considered, very important things.

**Mr. Smallwood:** We have had many, many discussions on this in Cabinet and many, many pieces of advice given to us, and we have given it extremely careful consideration. Nothing has been rushed in that. We have been at it nearly a year.  
On motion, Clause 3 as amended carried.

**Mr. Curtis:** Mr. Chairman, I move that in Clause 4, we strike out the words on the third line—"The premises on which buildings are constructed" and substitute for it "Land and buildings erected thereon". That is just to make it fit the previous clause amendment. Then the side note would read "Of Land and Buildings."  
On motion, Clause 4 as amended carried.

**Mr. Hollett:** This is rather peculiar—The house is today giving the Government authority to make any amendment they like in any agreement which may be made at any time and in any manner. In other words, the house is giving the Government a free hand to change everything. Is there any necessity of that?

**Mr. Curtis:** Yes, Mr. Chairman, the legal officers on the other side did ask for that really with the idea of purely correcting any misunderstanding or any items that were not clear. But you will notice that, although there is power to amend, on this vital particular, which is the lease, that is held to be sacred and that is not to be touched. But, as the house knows, very frequently when an agreement is made it is discovered there is some ambiguity in some point that has occurred to the people afterward, and it would be silly to have to come back to the

house and ask leave to amend an agreement for that reason. They have anticipated it now.

On motion, Clause 5 carried.

On motion, Clause 6 through 10 carried.  
Motion, that the Committee rise and report having passed the Bill with some amendments, carried.

Mr. Speaker, resumed the Chair.

**Mr. G. Clarke (Chairman of Committees):** Mr. Speaker, the Committee of the Whole has considered Bill No. 5, "An Act to Provide for the Erection of a Provincial Government Building" and has directed me to report having passed same with some amendments.

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

Second Reading of a Bill, "An Act to Authorize the Raising of a Sum of Money by Way of Loan on the Credit of the Province and to Repeal Act No. 46 of 1958."

**Mr. Spencer:** Mr. Speaker, in moving the second reading of this Loan Bill, I feel that there is very little in the way of comment necessary from me. The house will understand that this Loan Bill was introduced and merely states "For the Purpose of Reimbursing the Consolidated Revenue Fund for Expenditure made and to be made for the construction of hospitals, educational institutes, the Trans-Canada Highway and other roads and bridges for the development of farming and the fisheries, and for such purposes as the Lieutenant-Governor in Council may direct."

Now, it follows that ordinarily, when a Loan Bill is introduced here, we have had down some specific reason for it, i.e. some specific amounts or jobs for which that money is to be used. In this case it is general. The estimates were prepared before this Bill was introduced, and it was anticipated that revenue would be forthcoming to take care of the estimates. It appears now that there may be some delay in connection with the realization of some of these revenues, and to that end the Government must provide itself with a means to take care of these capital expenditures. That is done in a lump sum of \$14 million with no detailed explanation therefore being forthcoming (other than what is shown in the general estimates).



Hon. members will appreciate that, as Minister, I would not be in a position to specify exactly, and state, just to what particular jobs or assignments this money may be placed. I feel that nothing further is required as far as I am concerned. But if there is something, and I am in a position to give the information, then the house may rest assured we will be glad to provide any information that is available.

Mr. Speaker, I move the second reading of this Bill.

**Hon. M. M. Hollett** (Leader of the Opposition): Mr. Speaker, I feel we ought to say something on this side of the house in regard to this Bill. I understand I am concerned, I mean, all of us are, at this present juncture in our financial history, and we ought to be very careful on statements which we may make, for reasons everybody knows. Still I think some comment ought to be made with regard to the fast-growing situation of our national debt. I think it is stated in the McNair Report that we owe \$71 million. That is, our funded, unfunded, and guaranteed loans, altogether make \$71 million compared with, I think, approximately \$3.5 million in 1949, after we had gone into Union. We must not forget, too, that in addition to that the government had at its disposal some \$42 million in cash at the Bank of Montreal, which has been spent and they had some \$11 million of realizable assets, which have been realized, in a good part, and also spent. So that altogether (and I believe again the McNair Report says so the government has spent some \$111 million above regular, ordinary revenue. I believe some \$55 million of that considered of borrowed money.

Now we are going to add another \$14 million, which will bring it up to \$69 or \$70 million, national debt. I realize that is not too great a national debt for this province when we compare it with national debts of other provinces, but I am thinking that, if this government remains in power much longer, and year after year continues to add to the size of the national debt, then the situation is going to arise which arose away back in the 1930's or 1929, when we could not meet the interest on our debts and we all know what happened. I trust that does not happen. I do think we ought to be very, very careful.

Here is another point—I think we ought to make sure we are not being a little bit too eager at this present moment asking for a loan of \$14 million. Steps were taken in this house yesterday, which we hope—at least I hope—may bring to the revenue of this province sufficient monies to obviate the necessity for a \$14 million loan. Passing this Bill today, even passing it in second reading, we are not saying to the world outside—and the government knows the world I am speaking of—“We are getting a \$14 million loan and do not need the \$13.5 million from Ottawa.” I think we are being a little bit premature. This house, I trust, will not close for a few days yet. I do think, therefore, a little time ought to be taken before we go any further with implementing this Bill. I do not know what my colleagues think on this thing, but I do know—I am looking at it. I do not want to go into the Budget Speech at the moment, but I shall have something to say on that, if my colleague here does not take up the whole afternoon tomorrow—and there will be something to say on that. I realize that the public services have to be catered to, and have to be paid, for I realize from the budget which has been brought in that the money is not presently in sight to pay for these public services. But I do say that some of the public services I see in these estimates seem to be something the Minister just reached up his hand and pulled down from the clouds and said, “we will spend \$800,000 on this, and that, and that.”

**Hon. E. S. Spencer** (Minister of Finance): The Hon. Leader of the Opposition thinks the Minister actually reached up and did that. He does not think the civil servants in the departments recommended these expenditures?

**Mr. Hollett**: I hope the civil servants asked for much more than you are going to give them. They always do. Any government I have read about, I understand, the Minister or a Committee of the Cabinet have to cut here, there and everywhere from what Deputy Ministers ask for. But the deputy ministers are more concerned, I think, with public services which are separate altogether from building seven hundred miles of road. I do not think any of the civil servants recommended that. I think these

recommendations came from a higher level.

**Mr. Spencer:** Largely from the demands of the people.

**Mr. Hollett:** Well, if we are to pay for all the demands of the people, then we had better forget the national debt and keep on borrowing. People are people all over the world, and are going to be demanding things more and more every year. Don't blame the people! That is what the government is here for, to put the curb on excessive demands. After all, this government or any other government can only spend in accordance with the revenues we can collect, and that depends on the economic development of the province we live in, plus the money which comes from Ottawa. We know that we have very little chance of increasing our revenues. We are not, even today, and everybody knows it, today we are depending upon the central government at Ottawa for, I believe it is, about fifty percent of our estimated revenue for this year, and we can only increase our revenue from the social security taxes. I should not call it taxes—I think that is rather distasteful to certain ministers opposite, but Social Security Assessment—which is different altogether—It is just an assessment and not a tax. It brought in some \$7 million last year, and \$2 or \$3 million on gasoline. The gasoline tax makes me sick, Sir, makes me sick, when I think we are paying seventeen cents on a gallon. I know people here, I don't know if they are in the house today, but I know people in this house who are getting it for nothing. I know the government is only paying 24.6 cents for gasoline, and I have to pay anywhere from forty-eight to fifty-cents—There is something wrong somewhere.

**Mr. Higgins:** You are not in the government.

**Mr. Hollett:** I suppose that is the reason. When you consider that Imperial Oil pours oil into the tanks around the city for 24.6 cents plus a service fee of seven cents a gallon, I think, which the dealer makes out of it—and we have to pay so much for it, it makes me wonder. I just mention that. If we

are to get more revenue we have to increase our taxes. We cannot increase it much more on gasoline. I believe there are other provinces where they pay twenty cents. We are the highest.

**Premier Smallwood:** We and Nova Scotia are the same.

**Mr. Hollett:** That won't be long. The point I want to make is that I am not, certainly, against the principle of this loan Bill any more than the Hon. the Premier was a few years ago against the principle of borrowing, he and his government a few years back. I think that has already been mentioned here this afternoon. Away back in 1951 borrowing was abhorrent, they would not think of it. They would not think of borrowing money—Oh no, Sir! Not at all! But today—well, I have outlined the picture.

Now, we have to be careful, Sir, and we have to be careful simply because the avenues for revenue are very few, and very far between, and they are very limited, and there is a very limited flow of monies through these avenues. We have to be careful. This government has a big responsibility. There will be governments long after this one has gone out of office. We have to think of the future, and the public service of our people of the future, and we have not to gamble all on borrowed money, then pay out excessive interest in the years to come. I do think the government is wise in taking the precaution of bringing in such a Bill, but I do think it is poorly timed, and we could have waited a few days at any rate. That is all I have to say at the moment, Mr. Speaker.

**Hon. J. R. Smallwood (Premier):** Mr. Speaker, the Hon. Leader of the Opposition, in the last sentence of his speech, summed it up. It he had said that first and then sat down it would have been a perfect speech. This is only a Bill to authorize the government to borrow this money if it needs to do so, if the need arises. That depends on what happens in Ottawa. That depends upon what response there is to the bi-partisan request made yesterday to the Prime Minister. If that bi-partisan request is acceded to by the Prime Minister, we will receive in this session, that is to say within

the next few weeks, \$13.6 million, the same amount we will receive, actually, if we do have to float this bond issue. We do not need to do both. We need to do one or the other. Now, if we had not brought in this Bill which authorizes the government to borrow a net amount of \$13.6 million and a gross amount of \$14 million, if we did not do so and this session passed without having enacted this law, giving us that authority, and the Prime Minister, for some reason, which at the moment we cannot imagine, said—"No! We will not accede to the bi-partisan request of Newfoundland!"—the request of the house—where then would Newfoundland be in respect of this present seasons capital words that are now, and as we speak are going on?

As I speak, Mr. Speaker, you can, in imagination, hear some four or five hundred dump trucks roaring along the road, and they will be for more than another half hour. You can hear some five or six hundred dump trucks roaring along the roads in Newfoundland, building roads and repairing them. You can hear seven or eight thousand men busily working building roads in Newfoundland at this very moment. Some of them, Your Honour, are in your own district, you hope, and I hope.

**Mr. Hollett:** As much as that? Seventeen times seventeen men—a team—does it come to that?

**Mr. Smallwood:** That is not all the men working. We give the municipalities approximately three-quarters of a million or a million dollars, at the rate of two dollars a head of their population. That is, practically all of it, spent by local authorities for roads. Then we have the Trans-Canada Highway contract. Then we have the paving programme going on. Seven or eight thousand men are working at this moment. Now they will have to be paid or they will have to stop working. In addition to that, we have schools being built at this very moment, right now as we are speaking. All over the island there are schools in course of construction and rebuilding, and still other schools in course of being renovated. Then, and in addition to that, all this very moment, hospitals are under construction and men are working on that. This is all proceeding.

This is not theory. This has been going on for weeks past and we hope will go on for weeks to come.

Now, it all has to be paid for, and there are two sources. One source is the \$13.6 millions which this house unanimously asked for, pending the greater consideration the Prime Minister and his colleagues will doubtlessly give our overall request for an increase in the Term 29 amount, pending that the \$13.6 million. If not from that, if that does not materialize, then from the proceeds of this bond issue.

There is a third possibility and it is this:—If we do not get the \$13.6 millions from Ottawa, and if we do not float a bond issue, there is still a third possible source, i.e. temporary financing, which governments all over the earth do. Oh! they call it by other names, "Treasury Notes", and what have you, but we call it, quite frankly, "Temporary Financing"—and we are not without resources in that respect.

**J. D. Higgins (St. John's East):** Somewhat limited.

**Mr. Smallwood:** We are not without resources.

**Mr. Hollett:** But all used up now.

**Mr. Smallwood:** No, not all. I will not be enticed into saying more than I have said, but we are not without resources. We are very anxious to continue building schools, and roads, and hospitals, and water and sewer systems, and lots of other things that the people want and deserve and must have. We are anxious to continue into the next few weeks, and the next four, five, six, seven, eight weeks, depending on the weather. So therefore, we have, as you would expect, explored, and we are not without resources. Now, I stress the word "temporary" again because there is no substitute, no real substitute, for our getting what we hold is owed to us, and what this house agreed is owed to us, at least that has been recommended, at least that much. We are owed that. We hope that the Prime Minister and the Government of Canada will voluntarily (and there is no compulsion) we hope they will voluntarily assume on their shoulders responsibility for getting

more for us than we are owed. We are owed that which has been recommended—But we want what is owed us. My first reply to the Hon. Leader of the Opposition is that we hope, strongly, that we won't have to use this at all, I am sure he hopes it too. I believe that probably we won't have to use it but we must have the authority. Now, the second point is this, and it is really very childish, extremely childish, it sort of assumes that the people are fools. The people are not fools. If a government are continuously telling this house, and telling the people of all the wonderful things they have done—and we have done wonderful things—

**Mr. Hollett:** And always telling about it.

**Mr. Smallwood:** If we do that, if we are always telling, and we are, we are, and the Opposition are always reminding them of what it costs, and are always shaking their hands solemnly and gravely about the public debt; is not all that rather childish on the part of the government and the opposition. If we have built three hundred school buildings, constructed eleven hundred classrooms—

**Mr. Hollett:** I thought the Boards of Education used to build them.

**Mr. Smallwood:** We have built them. We have paid the cost. We have not built one school, don't own one. We have not built one. We have built the university, but we have defrayed the cost of three hundred school buildings, new buildings containing eleven hundred classrooms. That accounts for a lot of that \$70 million, that accounts for a lot. We have built 1600 miles of new, brand new roads. That accounts for a lot of that \$70 millions. We have built almost 1000 hospital beds, new hospital beds. Now that does not mean bedsteads with mattresses and pillows. One thousand hospital beds means a lot of buildings, with partitions and floors and ceilings and operating rooms and kitchens, but usually described as beds—Nearly 1000 hospital beds have been built. That accounts for a lot of that \$70 million. Now, quite frankly, quite seriously, I think the people of Newfoundland realize both facts. They realize that what we say on the

government side is correct. The government have indeed done a lot of building in these ten years. I believe the people equally well know and understand and believe what the Opposition says, that it cost a lot of money to do it, and the government borrowed a good many millions to do it with. I believe they understand both facts. I believe they understand that one goes with the other, and you cannot separate them. I believe they know that. I believe they all think we are childish, on both sides of this house.

**Mr. Hollett:** Speak for yourself.

**Mr. Smallwood:** I am speaking not of the house but of the people. believe the people regard us on both sides of the house as being childish. You know what Dr. Campbell said about the people, the late Dr. Campbell. Then, the Leader of the Opposition spoke about the high proportion of the government's revenue, the gross income in Newfoundland, that comes from Ottawa. There are two things I can say truthfully about that, or three things. (1) The statement is correct. (2) That a large proportion of our total income now comes from Ottawa (and when I say "now" I am not referring to any recent events. This House has not found me indulging in small narrow bigotry, bi-partisan comments at all. I think I will speak in the budget debate—I think I will, and say some things that will surprise hon. gentlemen opposite and perhaps a lot of people not opposite—But when I say "now" I do not mean "now" that there is a change of Government in Ottawa).

If you take the first year of Confederation and traced down to and including this year, the tenth, you will find a decreasing proportion, a falling arc, a falling curve of proportion of our total Newfoundland governments income that comes from Ottawa. I am speaking purely from memory. Since it was one of the last things the hon. gentleman said before he sat down, I have not had time to check. I would say that, in the first year or two of Confederation, seventy-five percent of the revenue of the Government of Newfoundland came from Ottawa, 75%. But year by year since then the proportion has fallen, and if it is 50% today that is probably as much as it is. Whereas, in the beginning of Confederation, the Newfoundland Government had to hustle and find twenty-five

percent of all its revenue by its own effort (and getting 75% or so from Ottawa) we have today to hustle to find twice as big a proportion as we did then, 50% or maybe a little up or down.

That is not because Ottawa has not been continuing to pay us more—Ottawa has. The actual figure has gone up. Ottawa is paying much more this year than last, and much more last year than the year before, and more the year before than the year before that and so on. The actual amount has increased year by year but, by proportion, the amount has gone down. That is because the Government of Newfoundland has succeeded in increasing it to a bigger proportion. In turn, the reason for that is that the incomes of our people have risen steadily. Our economy is perhaps not basically, not perhaps fundamentally, but basically in figures, cash income, the economy of our Newfoundland people is incomparably better than it was ten years ago.

A lot of that, I know, is made up of transfer payments, payments from Ottawa direct to the people in Family Allowances and Old Age and Veterans Pensions, benefits and salaries to civil servants, Unemployment Insurance—But because a dollar is a dollar and a man receives a dollar salary, or a dollar unemployment insurance, or a dollar family allowance, or a dollar old age pensions, a dollar is a dollar whatever the source of that dollar, it brings the same purchasing power, buys the same and circulates the same. So that the income of our people has gone up and we have been enabled, therefore, as a government to collect a higher proportional amount as our revenue. Now that is my first reply.

My second reply is this—: In case there should be any misunderstanding about it—Every provincial government in Canada receives a substantial portion of its income, a substantial portion, from Ottawa. Now that percentage of the whole may vary from province to province. In the “have-not” provinces, the proportion is higher, and would average from forty-five to sixty percent. I would say Prince Edward Island is probably still receiving sixty to seventy percent of its total income from Ottawa and the balance is raised locally.

**Mr. A. M. Duffy** (St. John's Centre): Ours

was higher last year than the year before, actually.

**Mr. Smallwood:** Higher last year than the year before? Well, perhaps that downward trend is not unbrokenly downward. There might be an increase one year and then go down again.

**Mr. Duffy:** It is not an established pattern.

**Mr. Smallwood:** The pattern is pretty well established in ten years. Now, this year we get \$7.5 million from the Atlantic Province Adjustment Grant, and we get also some undetermined amount resulting from the increase of three percent in the income tax. That was estimated when the offer was originally made at a figure of \$1.6. But the income of the people of Canada has fallen, and again I am not being critical; the income of the people of the United States, if it is any satisfaction, has fallen perhaps even more so. I am not being partisan in this now. No! I am not! If there is any partisanship, it is not coming from this side and not coming from me. I frown on it wherever it comes from. I don't think it is the time.

**Mr. J. D. Higgins** (St. John's East): That statement is in this week's "Financial Post" as a matter of fact.

**Mr. Smallwood:** I did not see it. I do know this—: The income of the people of Canada has fallen, the income of the Government of Canada has fallen, and therefore, instead of getting \$1.6 million we will get perhaps around \$1 million—quite a loss, six hundred odd thousand dollars—quite a loss in one year on one item. Now, I do not know there is anything more I can add. I must say I am deeply pleased by the sensible, thoroughly sensible, position that is being taken by my hon. friends opposite, thoroughly sensible on every count. It is sensible morally. It is sensible politically, because the best politics to play in this is not to play politics—That is clever, and I give my hon. friends opposite one hundred percent marks, I give them honours, in fact, for being extremely sensible in this whole thing.

**Mr. Hollett:** A scholarship?

**Mr. Smallwood:** No! We are not allowed to

award any scholarship nor bursaries. Well if the hon. gentleman wants them we will give them, but then they will have to vacate their seats, lost their seats.

**Mr. Higgins:** It is only a temporary position with no guarantee of continuance.

**Mr. Smallwood:** No. Once Newfoundland case is established and Newfoundlands case gets the justice she expects, we resume our party politics. Is that agreeable? Nobody will welcome that more than I, because I really do like it.

**Mr. Duffy:** Mr. Speaker, I was thinking, as the Premier was talking of the alternative, the third alternative he mentioned. It struck me, since there was a third one, that the government had resources on which they may draw and as this is only a temporary thing, that if it became known that the bond issue obviously had to be sold at a disadvantage, and the expense of the bond issue, does it not appear quite evident that the sensible and economical thing to do is to get funds from these temporary sources, which I take it only involve an interest, which would probably be lower than that prevailing in a bond issue?

Now, is there not a fourth alternative when it comes to purely a temporary situation in the frenzied financing, if the rolling stock has to be kept rolling and all that is involved? Of course the result is brought about by the financial mismanagement of the government, the policy of the government. The government, of course, makes it very dramatic. We hear of rolling trucks. But this ugly situation has been brought about by the policy of the government. There is no point in arguing about that. But is there not a fourth alternative available? I do not know but I was wondering if the bankers of the government, for a short term loan, could not be brought about?

**Mr. Smallwood:** Does that have a fourth? Is fourth the proper order to put that in?

**Mr. Duffy:** That was included in the third?

**Mr. Smallwood:** I am only asking a question.

**Mr. Duffy:** It probably included that. I was

wondering if that would not be the business-like way to do it?—without the expense of a bond issue, which I take it would cost the best part of a million dollars.

**Mr. Smallwood:** Would the hon. gentleman like to come over and join the Cabinet?

**Mr. Duffy:** No! Then again, if the bond issue were floated, and having paid all the money out, the cost of floating the bond issue and being involved in the bond issue, and the Federal Government re-opens the Commons in a couple of months time what happens then?

**Mr. Smallwood:** A couple of months?

**Mr. Duffy:** Say a few months—Well, January is only a few months.

**Mr. Smallwood:** You cannot build roads in January, unfortunately.

**Mr. Duffy:** I am not suggesting that. I am pointing out if you go into a bond issue, and it becomes unnecessary in four months time, you are certainly pouring down the drain the cost of the bond issue.

**Mr. Smallwood:** That is right. All these factors have been taken very much into account, believe me.

**Mr. G. R. Renouf (St. John's South):** Mr. Speaker, I would like a brief work, if I may—This is a matter that is not trifling and it is a matter we do not want to treat lightly, but I would focus the attention of the house for a brief moment on what the Hon. Leader of the Opposition has said in his reference to Term 29. The timing of this resolution to authorize a loan—Now, I feel, Sir, quite sure that the Leader of the Opposition meant that a matter of hours, a matter of half a day, two days or maybe three is all that might be at stake. I think he meant there is a lack of something in this Bill coming forward today, a lack of finesse; I want to stress that I think that is what the Leader of the Opposition meant, that for a brief period it would be more sensible, more sincere and free from precipitating any undue stress or trouble or criticism if it were deferred for a matter of a very brief time. I think rather than become involved in the in-

tracacies of the averages just now set forth by the Hon. the Premier (I don't want to challenge his agile mind and I do not think there is any need to) I sincerely think that the matter of a slight postponement of this matter, under the circumstances, would be for many, many reasons a better idea. I do not quite see the purpose of bringing it in today. I do realize that if, through any circumstances, we fail to get word from Ottawa that the required and needed money cannot be forthcoming at this late hour—I foresee than, in that event, we may have to, or the government may have to, borrow money. It is true, as the Premier said, that work is already under way. I know work is under-way, and payrolls have to be met, but surely the Premier, the Hon. the Premier, meant that they had to be met within a reasonable time. Surely there is nobody out in the lobby now waiting for a pay cheque this afternoon.

**Mr. Smallwood:** I hope not.

**Mr. Duffy:** You never know.

**Mr. Smallwood:** Not that we have not the funds—We have ample for all ordinary purposes.

**Mr. Renouf:** That is what I mean. We know, we hope, the Government has a dollar for breakfast.

**Mr. Smallwood:** Yes!

**Mr. Renouf:** It is improper, or unwise, or unpolitical, if I may give a tip to the Hon. the Premier (master as he is in that art) to bring this in at this very time—I hope I am right in interpreting the mind of the Hon. Leader of the Opposition, that was what he meant. We do know why the government might have to seek the authority of the house, but seeking it so close to a previous event, only hours away, to my mind is not to my liking, and for the sake of a brief postponement I would—I would not suggest it—

**Mr. J. D. Higgins (St. John's East):** Mr. Speaker, I don't know—I don't like to find myself in disagreement with my colleague, but I am prepared to assent to the reasona-

bleness of the contention offered by the Leader of the Government. As I mentioned this thing, it is purely a measure to give the government authority, if the approach to another place is not successful so that the government may find it has to borrow money. This does not say the government will, but merely says, if we are forced to that, that is what we will do. As far as the timing is concerned, I do not think really that the timing is too important. The statement has been made that the House of Commons will be adjoining in a few days—Well, it was my earnest hope (we came back with the last bit of summer we have) we would be adjourning in a few days, and the quicker we get legislation on through the happier I would be about it.

**Hon. L. R. Curtis (Attorney General):** Mr. Speaker, it is obvious that the mere passing of this Bill does not put us in the market to raise the money. I think I must congratulate my hon. friend on his outlook, which is the outlook of ourselves, on this side. Here we are faced with the proposition—We sincerely hope to get this money from Ottawa—If we do not need to we will not borrow the money and unless Ottawa fails—Our first bid is to Ottawa—If Ottawa fails, would you have this house close and have us wait, as my hon. friend says, and stay here? We must have this money during the current year. We cannot wait until next January.

**Mr. Renouf:** I do not suggest that, Mr. Speaker.

**Mr. Curtis:** As a matter of fact, Mr. Speaker, this Bill will not become law until assented to by His Honour, the Lieutenant Governor, and that will not be until after Ottawa has prorogued. So I think there is no question about it, as prudent men and as prudent men who are responsible for the operation of the government until next this house meets, we would be utter fools not to arm ourselves with the powers that this Act gives us. The Premier would like me to say, since he has already spoken, in any event this will not become law until Parliament is adjourned or prorogued. I think we will be sitting here in St. John's when they adjourn at Ottawa. Then, when they prorogue at

Ottawa they will prorogue until early next year.

**Mr. Hollett:** You are going to want the \$14 million from the loan and the \$13.5 million from Ottawa to pay your Bills?

**Mr. Curtis:** No! No!

**Hon. E. S. Spencer (Minister of Finance):** You are terribly wrong there.

**Mr. Curtis:** That is not so. I do not think I need to say any more.

**Mr. Renouf:** Mr. Speaker, may I have permission to rise again?

**Mr. Speaker:** The hon. member may not speak again. He can ask a question of the hon. member.

**Mr. Renouf:** I would ask the Hon. the Attorney General if by chance he may have misunderstood my particular? It is not that there is anything extraordinary in asking authority to raise money. Now, I take it that the Hon. the Attorney General understood that—but this is what I want to re-explain to the Hon. the Attorney General, there is after all a Canadian Press, there is after all an effect which arises from—

**Mr. Speaker:** If the Hon. member will forgive me for interrupting, but this is a most spectacular question.

**Mr. Curtis:** I cannot follow it.

**Mr. Renouf:** I am sorry that I missed the clarification when I first spoke Mr. Speaker, but I do think that if I—

**Mr. Smallwood:** May I ask a question now which takes ten minutes to ask?

**Mr. Renouf:** No—I think that it is understood what I meant now.

**Mr. Speaker:** Does the Attorney General wish to answer that question?

**Mr. Smallwood:** I think the hon. gentleman should repeat his question.

**Mr. Speaker:** Order!

Is the house ready for the question?

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

On motion, all further Orders of the Day stood deferred.

On motion, the house at its rising adjourned until tomorrow, Friday, September 5th, at three o'clock.

Friday, September 5, 1958

(Afternoon Session)

The house met at three o'clock.

Mr. Speaker in the Chair.

**Presenting Petitions:**

**Mr. E. Jones (Burin):** Mr. Speaker, I beg to present a petition on behalf of the people of Burin. This petition is presented by the Citizens Committee of Burin as well as by the Town Council of Burin, and is supported by some thirty leaders of the community including the heads of the various business houses and several churches in the community. The prayer of the petition is as follows:

"The Government of Newfoundland will during the present year make available funds to continue the reconstruction of that section of the highroad which passes through Burin measuring 1.3 miles in length and commencing at a point known as O'Neil's corner and continuing to the junction of Bulls Cove Road." A word of explanation may be necessary, Mr. Speaker, in that it may seem unusual for these people to present a petition for a road passing through a municipality. However, last year this road was reclassified as a highroad. The prayer of the petitioners now is that work will commence on blasting. They point out in the petition, Mr. Speaker, that approximately five hundred cars pass over this particular section of road daily enroute to Burin hospital and fish plant. I heartily endorse the prayer of the petitioners. I ask leave to lay the petition on the Table of the House, and ask that it be referred to the Department to which it relates.

On motion, petition received for reference to the Department to which it relates.

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



Speaker, I beg leave to present a petition on behalf of some three hundred residents of the Goulds and Kilbride, the area close to the City of St. John's in which a group of representative citizens pray, and comment upon certain complaints which they have with the service of electricity in that area. They state reasons wherein they have received inadequate service, for which they are charged what they claim to be excessive rates. They ask, Mr. Speaker, that the franchise of the United Towns Electrical Company be revoked and that they come under the jurisdiction of the Newfoundland Light and Power. They state, Mr. Speaker, that the residents in that area pay a basic charge of \$1.50 for the first 20 kilowatts, 4 cents for the next 100, 3 cents for the next 100 and 2 cents over 250 as against \$1.25 for the first, 3 cents for the next and 1 cent in excess of 250 kilowatts as paid by the people of Petty Harbour and the residents of St. John's.

Their main point there is their claim that the resources in that area, the power resources in question, the company in question does use the power resources in that area, and they mentioned two of the ponds which are harnessed by the company in question. They think it would be more logical and proper that the electrical power company who service that area should take it on. They feel they are sandwiched in between two power companies and they are the sufferers in that they claim they pay excessive rates for their electricity. I wish to support that petition, Mr. Speaker, and beg to table it on the Table of the House and have it referred to the Department to which it relates. On motion, petition received for reference to the Department to which it relates.

**Mr. I. Mercer:** (Fogo): Mr. Speaker, I would like to present a petition addressed to the Hon. House of Assembly, from the people of Clarke's Head, Victoria Cove, Wing's Point, Rodgers Cove. This petition is signed by some three hundred and fifty-three householders. The prayer of the petition is to have a road constructed from Victoria Cove on the west side of Gander Bay to Birchy Bay. For perhaps the benefit of some members of the House of Assembly who may not have a clear picture of the position in which these people find themselves, I

would say, they have a peninsula there, jutting out into the Atlantic, between Notre Dame Bay and Hamilton Sound. Included on that peninsula are two other places not on this petition at all, but I am quite sure that I will receive from them at any time a petition. These seven settlements are absolutely isolated from the rest of the world except by sea and only very rarely can they make use of the sea. The road that they are asking for in the prayer of this petition will be around twelve to fifteen miles. They have been asking for it for many years and they are still asking. It is their only means of transportation to get away from that peninsula, to get to any hospital, or any type of welfare services, other than by coming up the Gander River by canoe, which is their only other means of transportation. I heartily endorse the prayer of this petition, Mr. Speaker, I ask it be laid on the Table of the House and referred to the Department to which it relates.

On motion, petition received for referral to the department to which it relates.

#### Giving Notices of Questions:

Mr. Duffy gives notices of questions on tomorrow.

**Mr. Nightingale:** (St. John's North): Mr. Speaker, may I have leave to make a statement?

**Mr. Speaker:** The hon. member can make a statement only with leave of the house, except a Cabinet Minister who can make a ministerial statement. Is it agreed the hon. member for St. John's North be allowed to make a short statement at this time? Very well, by leave of the house.

**Mr. Nightingale:** Well, Sir, it is quite evident from the reply I got to my petition yesterday, the petition went before the wrong party. I was told in reply to that petition that it was not the fault of the Government that this well was polluted. May be it is the Public Health's trouble? Now a well being polluted, and the water unfit to drink means people can't dig a new well through rock. It is impossible without rigging up a compressor to get down through. The only place to build a well is in the middle of the

new road. I do not think the Department of Highways would want that. I may say if it comes to some contractor, I don't think any people of any particular district could sue them. I place this petition before the Attorney General's Department and the Health Department. The condition of that water is terrible, and if we have an epidemic before the end of the year it will not be my fault.

#### ANSWERS TO QUESTIONS:

**Hon. W. J. Keough:** (Min. of Mines & Resources): Mr. Speaker, I beg leave to table the answer to Question No. 62, standing in the name of the Hon. Leader of the Opposition, order paper Sept. 2, (See appendix for question and answer).

**Hon. E. S. Spencer:** (Min. of Finance): Mr. Speaker, I beg leave to table the answer to Question No. 75 on the Order Paper of Sept. 3, in the name of the Hon. Leader of the Opposition. (See appendix).

#### ORDERS OF THE DAY:

**Hon. M. M. Hollett:** (Leader of the Opposition): If I may, Mr. Speaker, before proceeding with the Orders of the Day, address two or three questions to Hon. Ministers on the opposite side.

(1) I would like to ask the Hon. Minister of Economic Development, if he could give us a balance sheet of the Newfoundland and Labrador Corporation, if one has been submitted since the last annual meeting, to the Government, and if so could it be tabled. I notice by one of the sections of the Act that it is supposed to be tabled in a certain time.

**Hon. J. R. Smallwood:** (Premier): I do not know if one has been submitted. I can ascertain the fact and produce it here in the house. I would be glad to do it.

**Mr. A. M. Duffy:** (St. John's Centre): Mr. Speaker, I have a letter here which I do not propose to read. It is relevant to an application by a resident of the West Coast looking for a grant of Crown Land for a summer cottage on the highway. An official of the Department stated that the Executive

Council had reserved land along the entire route of the Trans-Canada Highway, for one quarter of a mile on either side. I was wondering for what purpose?

**Mr. Keough:** Mr. Speaker, I think I can answer that question. Some time ago the Executive Council did decide to place all land along the Trans-Canada Highway, within one-quarter of a mile on each side of the Trans-Canada Highway under the jurisdiction of the Urban and Rural Planning Board, to this extent. The Urban and Rural Planning Board would control the type of structure erected on the land, so there would not be shacks or other such buildings grow up on the highway.

**Mr. Hollett:** Mr. Speaker, I would like to ask the Minister of Highways. I noticed in an answer given yesterday that City Motors applied for a certain number of machines. I checked with the Registry of Deeds and find no such company registered. I wonder if the Minister could inform me who are City Motors and who are the Directors?

**Hon. G. J. Power:** (Minister of Highways): Mr. Speaker, all I know is that I think it is controlled by the Lundrigan family. I am not quite sure of that.

**Mr. Hollett:** Anyway, I take it, it is the Lundrigan family. I wonder if the Hon. the Attorney General could inform the house whether a petition was received from the Newfoundland Constabulary relative to working hours etc.

**Hon. L. R. Curtis:** (Attorney General): Yes, such a petition has been received, Mr. Speaker, and is under consideration in the Department prior to being passed on to the Cabinet. I may say I am holding out personally waiting to see what the result of the Ottawa award would be. I might say the policy have requested a change in their hours, as far as I can understand, involving an expenditure of about \$150,000 a year. Because of that expenditure, I wanted to know what the financial position of the country was, before making any recommendations to my colleagues.

**Mr. Hollett:** Mr. Speaker, I wonder if the Hon. Minister of Economic Development

would tell us if any reports have been made by the Arthur D. Little Company on the two matters of economic development and fisheries. They were supposed to make an investigation costing \$170,000. I wonder if any reports have been received and if so could we see them.

**Premier Smallwood:** Yes, these last reports the Government have received and studied. But these are reports to advise and assist the Government in making decisions and not public documents and it is not proposed to make them public. It is a very normal and commonplace thing for a Government. Governments do it all over the world, to seek advice from their own civil servants, and sometimes they go outside the ranks of the civil service to seek perhaps more expert advice than they can get within the ranks of the civil service. In both cases, whether the advice comes from within or without the civil service, it is privileged, belongs to the Government and is used by the Government to help them formulate policies. It is a commonplace thing all over the world and is done by all Governments.

**Mr. Hollett:** The answer is therefore, no, we will not receive these reports that cost \$170,000.

**Mr. Smallwood:** If the hon. gentleman would allow. The advice we get from the civil service costs about \$10 million a year.

**Mr. Hollett:** I am not talking about the civil service.

**Mr. Smallwood:** Well, the advice the Government received from the civil service runs to about \$10 million a year. We do not table that in the house, and we get advice from someone outside the civil service, we don't feel in the least bound to table it in this house.

**Mr. Hollett:** Mr. Speaker, the Hon. Minister of Fisheries is not here at the moment. Perhaps some other Minister could answer this question. In the report of the Fisheries Authority I note the freezing plant at Curling was mentioned. Does that mean the O'Brien Fisheries or some other firm?

**Mr. Smallwood:** I don't know. There is

another freezing plant there, Connors Brothers built and owned and as far as I know still own it. In Bay of Islands there is still another plant, the Newfoundland Dehydrated Processing Company. I really do not know. I have not read the report of if I have, I have not recently enough to know which plant it refers to. I think the Minister of Fisheries is the best one to answer that.

**Mr. Hollett:** Have I your permission, Mr. Speaker, to ask the Minister when he arrives?

**Mr. Speaker:** Yes, that is all right.

#### ORDERS OF THE DAY:

Committee on Ways and Means.  
(Adjourned debate on the Budget Speech).  
TERM 29.

**Hon. M. M. Hollett:** (Leader of the Opposition): Mr. Speaker, I had intended to speak at some length on the budget, but owing to the weather and so on I have decided I will not speak for many days. I might say that I am glad to see you, Sir, and all the members of the Cabinet and the back benchers have arrived back safely after their extended — I cannot call it holiday, very well, not vacation — but their extended leave of absence from this house. They left here away back, I believe it was in February, when everybody was commandeered, everybody on the Government side, I mean, was commandeered to partake in that great Federal Election that terminated on the 31st of March. I am glad to see them back again. But I do say, Sir, that I deplore the fact that the house remained closed for so long a period. I can well understand now why it has, ever since the estimates and having heard the various Cabinet Ministers.

But getting back to that period of time between February and the 31st. of March, I do deplore the fact that a Provincial Government had to order practically all the Cabinet Ministers and good many of the back benchers out on the hustings to endeavour to get some votes for the Federal election. I think it is the most gruesome spectacle I have ever seen in politics in Newfoundland. Here they were, Sir; you could turn on your television set, if you had one, and there they were "Yap! Yap! Yap!" all over the Island.

Cabinet Ministers here and Cabinet Ministers there, and a few back benchers somewhere else, every one of them, going right through the country, all over the island and in Labrador. Promising roads and everything under the sun if they elected the Liberal Government. It was terrible. The business of this Province was absolutely and entirely neglected. As a matter of fact, on one occasion from my own office, upstairs, I rang six different Ministerial offices and asked for the Minister and I was told that he was out of St. John's. Of course I knew where he was.

After all, you know, you have to remember, Mr. Speaker, that Cabinet Ministers are paid by the people of this country to do certain work, to look after certain offices. If, every time a Federal election comes up, these Cabinet Ministers are commandeered to go out on the hustings, what have we got to pay for? That is what it amounts to. The people of this country are paying the salaries of Cabinet Ministers to go and fight the Federal battles in Newfoundland. Now I don't think that is correct. I don't think that is right. I believe that even the Premier would agree with me that is not the way we should have it. I am quite sure he is going to say that when he stands up, if he does, to reply. He will say it is not right for the Ministers of the Crown here in Newfoundland to be out on the hustings day after day, week after week, almost month after month, fighting a Federal election. I do not think it is correct, not at all correct procedure, and I deplore it very much, and certainly deplore some of the statements. I do not want to resurrect any old ghosts, but some fantastic promises were made, fantastic promises! If that P. C. Government gets in in Ottawa we are finished! If that Liberal Government gets in, see what you will get, this, that and everything will be in fine style all over Newfoundland! I do not think that looked a bit seemly.

Then again, Sir, we now have had six months, since February 22, of Government by Order in Council, with no budget, no estimates. When the Government wanted money they met together in Cabinet. I suppose they took that much trouble, and made a Minute, a commonplace Minute saying they wanted so much to carry on the affairs of this country. In all, Sir, they spent, by

Order in Council, some \$17,624,000, one-third of the whole year's expenditure, by Order-in-Council. Now surely that was not essential, it was not necessary. It was not necessary. The Government knew exactly what they were going to do in February. Why could they not then have brought in their estimates and budget and gone ahead with the business of the country in an orderly fashion? The first thing we find is a special warrant for \$250,000 to enable work to commence on several public projects. And then, in June, they asked the Lieutenant Governor to sign a special warrant for \$3,650,000 to last until the end of July; and then again, at the end of July, they asked the Lieutenant-Governor to sign another warrant for an amount of \$13,617,000 for that month to last until the end of August. \$13,617,000 for that month, pending approval of the budget. That is a total of nearly \$18 million by Order-in-Council. That is not the way, Sir, for even this little Province, this tenth Province, neglected as we may be, perhaps looked upon with scorn by some people on the mainland, (I do not know, but I have heard we are) that is not the way for the Government of this Province to handle the affairs of our Island home.

**Hon. J. R. Smallwood:** (Premier): If the hon. gentleman will allow me to ask a question.

**Mr. Hollett:** Certainly, I do not know if I can answer it or not.

**Mr. Smallwood:** He can answer all right. How does he defend, or can he defend the identical action of the Government in the Government of Canada, in carrying on the Government, to the extent of \$545 million half a billion, by Governor's Warrants, in identically the same way that we have done pending the budget. Pending the bringing down of their budget, they received the money by moving the Governor to issue his warrants to the extent of \$545 million, as we did by moving the Lieutenant-Governor to issue warrants pending the bringing down of our budget?

**Mr. Hollett:** I think that is very easily answered, Mr. Speaker, Before the Govern-

ment of Canada started out on their political campaign they dissolved the house. The house was dissolved; there was no house now, and consequently the Cabinet had to run the country on Orders-in-Council until the new Government was elected. It is an entirely different thing. Here we had a Government in power.

**Mr. Smallwood:** That answer accounts for part of it, for about half of it, but half of it was while there was a Parliament.

**Mr. Hollett:** I am not a spokesman for the Federal Government. I never was and never hope to be. But I do say whatever they did in Ottawa, if they did it like we did it here, like the Government here did it, it was wrong.

**Mr. Smallwood:** It was right. It was the same, and it was right.

**Mr. Hollett:** It was definitely wrong.

**Mr. Smallwood:** The Opposition in Ottawa says it was wrong. I say it was right. I disagree with the Opposition in Ottawa and agree with the Government in Ottawa. What they did was right, and what we did was right.

**Mr. Hollett:** Well then it must be right. It must be right.

**Mr. Smallwood:** It was right. I am waiting for the hon. gentleman to finish. I have it here for when the hon. member finishes.

**Mr. Hollett:** I understood the Premier had some doubt in mind as to whether he would speak.

**Mr. Smallwood:** I had no doubt. I announced yesterday I would speak.

**Mr. Speaker:** Order! Order! In the meantime, the Hon. Leader of the Opposition is speaking and the Hon. the Premier might restrain himself, while the Hon. Leader of the Opposition has the floor. And the Hon. Leader of the Opposition might address the Chair.

**Mr. Hollett:** Yes, Mr. Speaker, I cannot get a word in "edgeways." If the Hon. the Premier is going to speak in reply, he might as

well speak after I am through, and not butt in.

**Mr. Speaker:** That is what I was trying to say.

**Mr. Hollett:** I do say, and I repeat, it was a scandalous procedure on the part of our own Provincial Government. It was not necessary nor essential, in the first place, nor right for a whole bunch of Cabinet Ministers, expecting one or two Ministers, to be out on the hustings, all over the country, fighting to elect the various Federal Candidates. That is now what they are paid to do. As I said, one morning alone I found six different Ministers all out on the hustings. I don't know how many other people 'phone, but I 'phoned just to make sure.

**Mr. Smallwood:** If the hon. gentleman would allow me again. Would he know whether the twenty-odd Cabinet Ministers in Ottawa were out campaigning around the same time and getting paid their salaries. Would he know whether one of them, Mr. Browne, was getting paid unlawfully and unconstitutionally while he was seeking election?

**Mr. Hollett:** I would not know.

**Mr. Smallwood:** He does not know. He does not read Hansard.

**Mr. Hollett:** Yes, I read it every day. But I cannot read the Hansard we get here. Since 1949 we have not had a Hansard, Sir. Here is another disgrace, but that had been disgraceful since 1951. We are paying for that, we are paying for the service, and we are paying the printer, and they print it, at least three years have been printed. But they will not release them. Why will not the Government release Hansard? What are they keeping them for? To put in the museum or the new Parliament Building or what are they going to do with them? Are they going to start a bonfire? We are paying for them. I know too, Sir, in the Hansard in Ottawa, if a man is misquoted today or a mistake is made today in Hansard, next morning it is corrected. It is corrected on the succeeding day. I wonder what is going to happen when we see the Hansard, and we see some of the things the Hon. the Premier said and some

of the things I said, and other people. It is all right for the Premier because he edits his, before it is printed. We do not get a chance to see ours. Oh, yes. There is nothing fair, nor square nor honest nor just in that, Sir. We should have a Hansard or we should not have one. Since 1951, we have not even seen what we did say, and some of us, I think, have forgotten most of it.

Now, Sir, I would like to say a word on the McNair Report, because the budget, very ably presented by the Hon. Minister, had nothing in it, nor have the Government told us anything, about the state of our country, anything about our fisheries, anything about the earnings of our people. There was nothing at all except six and a half pages on the McNair Commission and the rest generalities, and a few facts, a few facts. Apart from that the budget speech did not contain very much. But I will say this; where it referred to the McNair Report it referred to something which affects this country very, very greatly. I want to be very careful, Sir, that what I say in connection with that Commission — it might be wiser if none of us said anything at all — We might be freer to talk later — But I think we owe it to ourselves, to the house and to the people of this country to give our opinions, on this very important McNair Royal Commission. Now, before I refer to that, I just want to refer to Term 29, under which this Commission was set up. I want to draw the attention of this house to one brief paragraph in it (that is if I can find it here.) Term 29 authorizes the appointment of the Commissioners, thereafter named, to review the financial position of the Province of Newfoundland (and note this, Mr. Speaker) to recommend the form and scale of additional financial assistance, to recommend the form and scale. Does that mean \$8 million? Does that mean \$2 million or \$12 millions? No. It says to recommend the form and scale of additional financial assistance, if any, etc; as they were at the time they were set up. The form and scale. Let us keep that in our mind as we review this McNair Commission. Now, I shall have to make a few quotations in order to make clear my point. First I shall quote a very brief paragraph from page 3, and this goes right back to 1949, and they say:—

“The transition to a Canadian Province was

accompanied by rising unemployment and falling incomes.” I want to draw that to the attention of the Hon. the Premier. That is not exactly what we were told on the hustings away back in 1948. “The transition to a Canadian Province was accompanied by rising unemployment and falling incomes,” in 1949. This is the McNair Royal Commission I am quoting from. On the statements they make in this report, they based their recommendations.

“In 1949 the average personal income of the people of Newfoundland was less than one-half of that of the Central Provinces of Canada, and one-third smaller than that of the Maritime Provinces.” That is all that I shall quote from that page.

If you turn on to page 4, and page 5 and page 6 and page 7 you will notice they state the financial terms of union had provided considerable scope for a new start. The new Provincial Government came into existence virtually free of debt and with \$40 million. They then go on to refer to various loans which were made etc. They referred to it, as I gathered, the Government’s “short cut to prosperity.” In other words, the Government in 1949, or around 1951-52, as the case might be, decided, we have to improve the economy of our country if we are going to survive as a Province, and therefore we must create new industry. We must develop our country so that we may be able to collect more taxes in order to look after our public services.

Now, just one remark on that. My big complaint against the Government which has been in power since 1949, knowing as they did the content of Term 29 and knowing that a Commission was to be set up within eight years to recommend the form and scale of financial assistance which would be required to keep up the public services to the state that they were subsequent to union, that is, at the time that the Commission was set up, was it not the bounded duty of the Government, this Liberal Government, to endeavour to do its utmost to raise the public services and raise the standard of these public services in our country. But they not in a great measure to do that? What did the Government do, Mr. Speaker, to raise the standard of public services in this country other than from resources which they received from the Government of

Canada? It is true we received a lot of grants from Canada. They are used for Public Health and so on. But here was a Government sitting on the till, with \$42 million there. Very little of that, Sir, did they use to improve the standards of our public services.

**Mr. Smallwood:** We used almost \$30 million of it.

**Mr. Hollett:** It went to new industries.

**Mr. Smallwood:** We used \$30 million of it, almost, to improve the public service.

**Mr. Hollett:** To new industries.

**Mr. Smallwood:** I say almost \$30 millions went to improve the public services.

**Mr. Hollett:** Of the forty-two. How much to the new industries?

**Mr. Smallwood:** Twenty-five or twenty-six. Do not forget we had more than forty-two millions, you know.

**Mr. Hollett:** I know we had other assets, and most of that was cashed and spent.

**Mr. Smallwood:** It was \$32 millions which went to improve the public services.

**Mr. Hollett:** More than that, the Government borrowed some fifty-odd millions, Sir, and more than did could have gone into the improvement of the public services.

**Mr. Smallwood:** Practically all did go into that.

**Mr. Hollett:** I make this broad statement. It should be the bounded duty of the Government, first and foremost, seeing Term 29 before them, to improve the standards of the public services and get them up as high as ever possible; so that when the Royal Commission sat they would see the standard was pretty high and they must recommend enough money to keep them up to that standard. But, Sir, what did they find? Let us see what the Royal Commission found. To do that let us turn over to page 8. I want to quote here fairly extensively. This is from

the McNair Report. "There have been few really major improvements in the level and standards of services." The Hon. Minister of Education got up yesterday and what he did not say about the levels and standards, etc. yesterday. We have done everything in this world. That is what the McNair Report says. That is what the McNair Report says. That was in 1957 they wrote this. "There have been few really major improvements in the level and standards of services." I am not only criticizing the Government. I want you, Sir, to remember this. The McNair Commission were to take a good look through all the mirrors they could get, enlarging mirrors, and see certain things and come up with certain recommendations. I shall have to criticize them there for that recommendation. There have been few really major improvements in the level of standards and services.

**Mr. Smallwood:** Were they not talking through their hats when they said that?

**Mr. Hollett:** Do they wear hats, Sir? I don't think they have any hats at all.

**Mr. Smallwood:** That is a penetrating and satisfying answer. The question is a sensible question. Are they not talking through their hats?

**Mr. Hollett:** I am not criticizing their hats. They are talking under their hats and not up through them like some people.

**Mr. Smallwood:** Were they not talking nonsense?

**Mr. Hollett:** I do not think the Hon. the Premier should put me on the spot like that. Here are three Commissioners.—

**Mr. Smallwood:** I don't care who they were, it is trash.

**Mr. Hollett:** They were appointed by Ottawa, by the Liberal Government.

**Mr. Smallwood:** I don't care who appointed them, that sentence is trash, and in that report lots of it, lots of trash. It is the first time I said it publicly, arrant nonsense.

**Mr. Hollett:** All right. There have been few

really major improvements in the level of standards and services.

**Mr. Smallwood:** The work of this Royal Commission was a dead loss and the three Commissioners were a dead loss to Newfoundland, I do not care who the three were nor who appointed them, and I recommend the appointment of some of them, God forgive me.

**Mr. Hollett:** If the Hon. the Premier is going to speak after me, Mr. Speaker, I don't want him to wear himself out. You know he can only stand so much. Well, they said that and I repeat, Mr. Speaker —

**Mr. Speaker:** I think it is four times the Hon. member said that.

**Mr. Hollett:** Yes, this is five, "few really major improvements in the level of standards and services." Well, right, if the standard of services has not been raised they do not need very much. So that is the reason they gave \$8 million.

**Mr. Smallwood:** Does the hon. gentleman think that is an accurate statement? Does he agree with that?

**Mr. Hollett:** I do not think the Hon. the Premier should interrupt.

**Mr. Speaker:** Order. The Hon. Leader of the Opposition or any member speaking has a right to be heard in silence. I suspect the Hon. Leader of the Opposition is sort of drawing fire.

**Mr. Hollett:** I have heard of the sun drawing water. I have never heard of the Leader of the Opposition drawing fire before. I remember reading a passage from Scripture one time "Fire came out of his mouth." That was in Scripture. The Hon. the Premier does not do that sort of thing. This is McNair. "The deficiencies of the past have not been substantially overcome. The facilities required for most services remain below the standards in any other Province. The per capital outlay in Newfoundland on Education in 1955 was about twenty percent below that of Nova Scotia. The road system continues to be woefully inadequate and is

almost completely out of phase with modern developments and possibilities in motor transport." Did I hear someone say 1600 miles of road? There is another thing I am inclined to think, Mr. Speaker. The McNair Commission, instead of sitting here in St. John's should have been down in the District of the hon. member for White Bay.

**Mr. Smallwood:** We tried our utmost to get them to go. They would not stir. They would not go, that is the trouble.

**Mr. Hollett:** Why did you not put Mr. Pickersgill's vessel at their disposal? He would have taken them down surely? She was a nice vessel. She is gone now, and I am sorry to hear they would not go outside to the various parts of the Province to see the levels and standards.

**Mr. Smallwood:** Not at all, they practically mutinied when we began to show them pictures of buildings and so forth. If the hon. gentleman sat here he must have heard it.

**Mr. Hollett:** I was not here while it was on.

**Mr. Smallwood:** The press was here and heard it. They did not want to see it.

**Mr. Hollett:** "The road system continues to be woefully inadequate and is almost completely out of phase with modern developments and possibilities in motor transport." Newfoundland with its more scattered and much smaller density of population has, compared with the Maritime Provinces, only about one-half the mileage of motorable roads per capita. The quality of the roads are also much inferior. The Newfoundland portion of the Trans-Canada Highway is not more than a quarter completed in terms of total estimated cost. There is no trans-provincial road whatever. The majority of the numerous settlements in the Provinces are still without any road connections." In spite of all that, "Give them \$8 millions."

"The lack of an adequate road system is, in the present day, one of the outstanding handicaps to economic development and social improvement..." I would not quote at such length, Mr. Speaker, except that I think it is right that our people should un-



derstand it, because very few will ever get the chance to read this report.

"This basic deficiency is a serious obstacle to a better concentration of population; it hinders the development of natural resources, raises the cost of distribution, restricts the diversification of industry and limits the growth of local enterprise. From the social standpoint the lack of roads adds substantially to the cost and difficulty of providing a necessary and desirable standard of public services. In short, Newfoundland is confronted with the urgent task of modernization, but is without the modern means and mobility and communications."

"The notable increases in Newfoundland production and incomes in recent years have not measurably reduced the disparities with the rest of the country which had previously existed. In the generally prosperous year of 1956, the average per capita personal income, after adjustment for difference in the cost of living, was still somewhat less than half the Canadian average and about one-third less than that of the Maritime Provinces."

The thing we have to note there, Mr. Speaker, is, "There have been few really major improvements in the level and standards of services." Yet they recommended \$8 million.

On page 9: — "The Provinces and regions which comprise the Canadian Federation exhibit a wide range in their economic development, and in their levels of wealth and income. By virtually every criterion Newfoundland remains well down at the bottom of this range."

And: — "However, the capacity of the Provincial Government to cope with the effects of adversity and to deal with the more basic and long-run problems of economic development is seriously handicapped by the pronounced lack of social capital, by the high cost associated with a scattered population, and by the deficiencies and difficulties inherited from the past." In spite of all this, Mr. Speaker, it was decided that we needed but \$8 million.

Now, Sir, I can go on and quote and quote — and it is very important. I cannot see as yet, and I think I can read very well and I think I can absorb fairly well, but I have not yet seen how it was possible for this Commission to come to the decision which they

did. Then they go on to explain how the lack of roads restrict the possibility of revenue and on page 16:—

"The total financial requirements of the Province, over and above the amount obtained from ordinary revenues, are shown in the table on the opposite page for each of the years in the period beginning April 1st., 1949, and ending March 31st. 1958. These requirements for the whole of the nine year period amounted to \$101 millions of which \$6 millions were for ordinary account deficits, \$50 millions for capital expenditures and \$45 million for loans and advances. The total of \$101 million was financed to the extent of \$45 million from the pre-union surplus and the realization of pre-union assets, and to the extent of \$65 million from borrowings."

I maintain, Sir, that more of that should have been spent in raising the standard of our public services. I would like to be able to read more of this, Mr. Speaker, but it would take too long. They go on then to define public services, etc. etc.

Now on the bottom of page 18: — "Also, consideration must be given to the vulnerability and uncertainties of the Newfoundland economy and the significantly lower per capita personal income. In these circumstances special problems and limitations arise regarding the support of heavy fixed charges."

I wonder did they take that into consideration when they made the recommendation? Did they take that into consideration? Here we have practically no roads, in spite of the 1,600 miles built, very poor coastal service, very few fishermen today, our people are scattered all around the Island over six or seven thousand miles of coastline. Did they take that into consideration? Did they see how difficult it is for any Provincial Government to raise the standard of public services? I grant you it was the duty of the Government to raise them, if possible. I am almost finding fault now with the constitution of Term 29. Then we go over to the final conclusion and the recommendation which they made. They took the year 1957-58 and they discovered, Sir, that while it is impossible to project the financial requirements and revenues of the Province into the future, "we feel that we should give consideration to the financial position of the

Provincial Government as indicated by the estimates for the year 1957-58 furnished to us by the Financial Adviser to the Province." (That, I take it, is Mr. Thompson). They took his figures of the revenue and expenditure for 1957-58, and they decided that the expenditure required was \$50,977,000. They took another look at the revenue and said we could only extract \$42 million, and they subtracted one from the other and got the estimated deficit, including the transitional grant, of \$8,102,000. Then immediately and in the next paragraph they said:—

"After giving consideration to the deficiency in revenue indicated by our calculations for the fiscal year 1957-58 and 1956-57, and after attempting to make a fair and equitable assessment in respect of the uncertainties and special factors mentioned above, we find that the Government of the Province of Newfoundland requires, as from April 1957, additional financial assistance of \$8 million per annum, less the traditional grant, while it applies, to enable it to continue public services at the levels and standards reached subsequent to the date of the date of Union, without resorting to taxation more burdensome, having regard to capacity to pay, than that obtaining generally in the region comprising the Maritime Province of Nova Scotia, New Brunswick and Prince Edward Island.

In other words, by the time they got along to this page, 39, they had forgotten altogether about the deficiencies in our revenue producing capacity, and they had forgotten altogether the condition of our roads. I think they forgot how much money, even, had been spent on these roads, and they just took these two years revenue and expenditure and came to a decision that in 1957-58 Newfoundland was going to be \$8 million short, and, therefore, for all time, and eternity, we will recommend \$8 million — to keep our public services up to the standards and levels, even as they are at the present time. Now, Sir, there was no account taken, as far as I can see, of the value of the dollar twenty or a hundred years hence. \$8 million a hundred years from now will not be worth \$4 million today. Time, therefore, is against us if we are to get only this particular grant from the Federal Government at Ottawa. Even the look which Mr. Thompson took at

the revenue and expenditure requirements for 1957-58, was he then farseeing enough to note that there would be a deficit of \$2,297,000? Did the McNair Commission take that into account? I say they did not, because they did not know anything about it.

So that I think I can add approximately \$3 million more to the \$8 million, if they are going to decide what Newfoundland should get on the basis on which the McNair Commission came to their conclusions. Because, Sir, even Mr. Thompson at that time, and even the Government at that time, did not know they were going to have a deficit of nearly \$3 million. I say, Sir, that in itself will point out the fallacy of basing a recommendation to the Federal Government on the revenue and expenditure of any particular year in the history of a Government or indeed a Province. You cannot do it. You have to take it over a period of years. Instead of that they took 1957-58 and said:—

"You need \$8 million more than you got, therefore, we will give you that for all time." Now, Sir, that is all I want to say about the McNair Report at the present time. They have recommended that in accordance with Paragraph 9 of the Terms of Union — I say, and I said it public before, and I said it the very day I go this book, and did not have time to read it all, I say the basis upon which they founded their conclusions — I immediately let it be known that I did not think it was sufficient to take care of the standards, even the present standards of our public services. I am very glad that my colleagues agree with me, and I am quite sure the Government agrees on that. As a matter of fact, I will go further and say I believe 90 per cent, and I would say, 100 per cent of the people who had the opportunity of seeing or hearing this must come to that conclusion that \$8 million is not sufficient and cannot keep up our public services even to the woebegone state in which the McNair Commission finds them at the present time. Now, Sir, I think we will get back to the budget, unless the hon. gentleman would like a recess, Mr. Speaker.

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

**Mr. Hollett:** Mr. Speaker, before we recessed I was looking at the McNair Report. I

think most of us agree in our thinking on that report. Now the budget speech, as I pointed out, devotes about six or seven pages, I believe, to comments on that McNair Report and takes six or seven pages to state how discouraged in the Minister—the Minister is not here—how discouraged he is over the report. Indeed, the Government, and I say, the people were all discouraged due to the fact the extra amount of money that is to come into the Treasury has not yet been paid. We do hope it will be paid before the House of Commons adjourns or prorogues or whatever it is going to do.

Now, Sir, the first thing I would like to comment on is the fact that the Minister (and I wish he were here) included that amount of \$13.6 millions in his estimates, in the budget, as an item of revenue, something of which he had no certainty at the time. Wistful thinking, of course, would have made him, and perhaps me, if I were Minister of Finance, believe that we were going to get that \$13.6 million, whatever else in addition to that. He included that in his estimates, and consequently we all can see that if that is not forthcoming before these estimates are passed, in addition to the already high deficit (we are forecasting three or four million dollars) there will be a deficit of some \$13.6 million, making a total deficit probably of around \$16 or \$17 million.

That in itself is serious enough. It is a serious situation and one over which nobody, not even the Opposition, should gloat, and definitely we do not. But I think, and that is one of the reasons why I thought we ought to have had the budget brought down away back in February or March, a budget brought down based upon what we knew concerning the financial state of the country, at that particular time. In making up your budget and your estimates, surely you do not depend on wistful thinking to the tune of \$13.6 million. It would have been much better to have gone ahead, brought down the budget, and then if the large amount had come in from Ottawa, then of course the Government could have proceeded either this year or next to do something about our roads and fisheries and bridges and so on. But now the Minister decides to include in his budget this

amount, and consequently, if we do not get it in a few days time, our budget and estimates are going to look pretty sick. It is nothing that the Government should be proud of. As a matter of fact, indeed yesterday, the Minister had to bring in a Loan Bill, in case we do not get that \$13.6 million; to try and borrow money to balance the budget and pay for expenditures which they envisaged this year. There is not much of this year left when it comes to expending large amounts of money.

I quoted just now from the McNair Report about the expansion of our public services. The Minister in his budget, on page 3, states that by the time this house meets again that Newfoundland will have been a Province of Canada for ten years. There are two facts of dramatic significance can be stated about these ten years; the first is that, in the decade just ending, Newfoundland has seen more growth, more expansion, more development, more improvements, more progress in her public services than ever were experienced by her in any fifty years of her previous history. I do not need to take you back to page 8 of the McNair Report again, because I am afraid it might raise the ire of somebody on the opposite side of the house. But you will see what the McNair Commission said about it. So somebody is right and somebody is wrong. Now we do know, you and I, Mr. Speaker, and all the people of Newfoundland know that improvements have been made. I am not going to admit they have been made owing to the sagacity of the Government on the opposite side. The Government, Sir, could not help itself. Here were these millions of dollars coming in from Ottawa for health and welfare and for all sorts of things. The Government had to spend them, and did spend them, in a good many cases very wisely. I want to congratulate particularly the Minister of Health and the Minister of Welfare on the strides which have been made in both these Departments. There is no question about it, no question about it, a person who is sick in our outports has a better chance of getting, of survival, than he had, well, when I was a boy, and that is a little more than ten years ago. They have a better chance, although there are places today.

**Premier Smallwood:** Have there been major improvements in these departments?

**Mr. Hollett:** In Health and in Welfare, definitely yes.

**Mr. Smallwood:** Page 8 of the McNair Report says, "no."

**Mr. Hollett:** I am a member of the house here and not on the Royal Commission. I must, I suppose, bow to their decision; that I presume, although I do not agree with them. I admit to the Hon. the Premier now and to the house and to you, Sir, I do not agree that what they are saying is correct. All I do agree is that outside the large industrial areas like St. John's (and St. John's is not too industrial), Grand Falls, Buchans, outside these places and a few others such as Bell Island and Burin and a few other, outside these places we have vast stretches of our coast where when a person gets ill it is not easy to get to hospital. In a case mentioned yesterday a plane took someone from Labrador. That is true. There are a couple of planes flying over every day. Now I had a complaint a short time ago about the hospital, in Trinity I believe, and about how difficult it all was. A man lived here and the hospital was there and the Welfare Officer was here. His wife became ill and the doctor ordered her to hospital immediately. They would not take her in hospital until they had an order from the Welfare Officer to take her back to hospital. Now that may have been, I think, probably, some misunderstanding.

**Hon. Dr. J. McGrath:** (Minister of Health): If the Hon. Leader of the Opposition would just allow me for a moment. I do not think that is correct. The entrance of persons into hospital does not depend at all upon the Welfare Officer. Maybe it was transportation. There may have been difficulty there, but not the hospital.

**Mr. Hollett:** I take the Minister's word. That is exactly what I told the man, that there must be some misunderstanding. Surely when a doctor certifies a person sick enough for hospital it does not mean they have to go through all that. I merely raised the point, and I give him certain facts to

help him locate the place sometime. I don't think he would want that to happen. I am quite sure he does not. I was describing some parts of our country. I was thinking of the member for White Bay North, who is not here now. There are lots of need for roads in that area. Down on the Great Northern Peninsula there are no roads. While I am on the question of roads, this is a delicate subject to me. I recognize from information which has been placed at my disposal that there is too much, shall I say, patronage, there is too much interference with road superintendents by certain members of this house, who insist that John Jones or Bill Smith, who supported him, must get a job but the other fellow who did not support him may get one later on.

**Hon. G. J. Power:** (Minister of Highways): May I ask the hon. member a question? Did any of the road superintendents make a complaint to him about it?

**Mr. Hollett:** That is an unfair question. I say, definitely no. Not one. I definitely say no. Not the road superintendents; they have not. There are only four in the country. I take it if there was anyone complaining —

**Mr. Power:** The hon. member must get the information somewhere.

**Mr. Hollett:** I had it from a dozen different places in Newfoundland. The Hon. Minister knows, Sir, that in his own district there are places where men have been hired on, instructions from possibly the Minister himself.

**Mr. Power:** Who else would instruct him?

**Premier Smallwood:** How are they hired in the National Park? On whose advise and instructions?

**Mr. Hollett:** I don't know about the National Park.

**Mr. Smallwood:** That is in Newfoundland; Glovertown.

**Mr. Hollett:** That is Federal. A lot of things are Federal.

**Mr. Power:** As far as the District of Placentia East, as the Minister of Highways I suppose I can hire men there if I want to.

**Mr. Hollett:** As Minister of Highways, the Hon. Minister can do a lot.

**Mr. Speaker:** Order. I think the debate is becoming rather personal.

**Mr. Hollett:** No, departmental, Mr. Speaker, not personal.

**Mr. Speaker:** I am not referring only to the Hon. Leader of the Opposition. The debate seems to becoming more localized.

**Mr. Hollett:** Localized. This district getting something and that district not. In the body-politic in Newfoundland that has to be wiped out, to get anywhere. It is unfair that too much influence should be used over road superintendents throughout the country. I know men who worked on the highroads for eighteen years and in one case twenty years and because his name did not appear he was not hired. Now that should not happen any more. That should not happen again.

**Mr. Power:** Could the hon. member allow me to say a word on that? When we changed over to this new system, when we changed to the method of maintenance on the roads and set up these teams, numbers of men all over the place had to be laid off because there was not room for them on these teams, and besides that, they did not have the knowledge to operate these teams. For instance, on the Peninsula of Avalon alone a hundred and thirty-three men had to be laid off last year. We tried our best to get jobs elsewhere for them. Some did get jobs. These men had to be laid off as they just could not be worked into the new scheme.

**Mr. Hollett:** I quite understand that, and therefore there are fewer jobs and fewer chances for men to get work. But I say it should be competitive, a man should be taken on competitively or in order of prior work or something like that. I do not think the axe should be held over anyone's head as regards to hiring, here, there or anywhere else. I am quite sure the Minister agrees with me.

Getting back to the budget speech. I note, on page 4, the Minister says: — "I cite these two sets of facts to illustrate, if illustration be needed, the fundamental character of our need for substantial improvement in the amount we are to get each year under Term 29. This is a matter which transcends party loyalties. This is a matter which must arouse the warmest support of every true Newfoundlander." Then it goes on to talk about scoundrels, and fools, which might very well be left out of the Budget Speech. At any rate, that is what the Minister says there. He ends up by, "It was not for this what we abandoned our ancient and hon. independence within the British Commonwealth. It was not for this that we merged our identity as a people and as a colony into that of the Canadian nation."

The Minister is quite right. It was not for this we merged with Canada. We must remember that Newfoundland and Labrador is a large territory. We must remember that Newfoundland and Labrador combined contain immense wealth. Why, from our own small population alone, Mr. Speaker, last year we contributed \$27 million in income tax and corporation taxes alone. Right here in Newfoundland we paid sales tax on a large per cent on practically \$200 million worth of goods which we brought from the Mainland. That went to the Federal Government. Labrador itself has immense wealth. Last year the Iron Ore Company of Canada exported from there some 13 or 14 million tons of iron ore. Sir, I would say the Federal Government collected large sums on that. We, as a Province, are contributing immense sums to the Treasury of the Federal Government, and it is right and proper, therefore, that we should get that back because we have no other means of getting it. Yes, we can tax gasoline, and we can tax liquors and we can tax food which we eat and the clothing we wear, but it comes to only a small amount of money in comparison to what the whole revenue is. Apart from that, where else are we going to get the money?

While I am on that point, Sir, speaking of gasoline. Do you know, Sir, that gasoline is delivered to our dealers for 24.6 cents a gallon. You know yourself, Sir, what you pay for it. I know what I pay for it. The Government can get all the gasoline they

need. The Cabinet Ministers, I believe, can get all the gasoline they need for 24.6 cents a gallon under that allowance of \$500 a year.

**Mr. Smallwood:** That is not true.

**Mr. Hollett:** Oh Yes.

**Mr. Smallwood:** The only Cabinet Minister who gets his gasoline is the Premier, and he is operating a Government car, driving it himself. The other Ministers buy gasoline at the regular price.

**Mr. Hollett:** What is the \$500 for?

**Mr. Smallwood:** That is an allowance paid to them. But they pay the regular price for gasoline. Civil servants get a mileage rate. Cabinet Ministers get a flat rate. They pay the normal price for gasoline, everyone except the Premier, who pays nothing as he is driving a Government car.

**Mr. Hollett:** The \$500 can be used to purchase the gasoline?

**Mr. Smallwood:** But at the retail normal price.

**Mr. Hollett:** I am glad I am informed of that. I know for a fact there is one place in this city (that does not mean the city) where the gasoline is delivered at 24.6 cents.

**Mr. Smallwood:** Delivered to whom?

**Mr. Hollett:** I prefer not to mention the individual here, but the Government pays the bill.

**Mr. Smallwood:** Delivered to Cabinet Ministers?

**Mr. Hollett:** Oh no. No. Not to Cabinet Ministers — 24.6 cents.

**Mr. Power:** If you do know, I would like to know who. Is it the Highroads shed?

**Mr. Hollett:** No, the Imperial Oil. The Hon. Minister probably knows.

**Mr. Power:** I do not know, I cannot say I do.

**Mr. Hollett:** Well, I will show him the facts. We pay 48 cents to 53 cents a gallon for gasoline when Imperial Oil can drop it off

to this place for 24.6 cents. The dealer gets, I think, seven cents. I am just quoting that by way of the revenue we get from various sources.

**Mr. Smallwood:** If the hon. gentleman would make it clear he is not referring to any Cabinet Minister, no gasoline he knows of, suspects or ever heard of being delivered to a Cabinet Minister for any low price?

**Mr. Hollett:** Yes, I take the Hon. Minister's word for that.

**Mr. Smallwood:** The hon. gentleman says himself it was not a Cabinet Minister.

**Mr. Hollett:** No. Definitely not. I know the Government paid for it, so I put two and two together to make four.

**Mr. Smallwood:** Paid for what?

**Mr. Hollett:** I was referring, Sir, to the wealth of Newfoundland and Labrador.

**Mr. Smallwood:** Mr. Speaker, I am sure the hon. gentleman is too honourable a man to leave any cloud hanging over this matter. If he knows of any impropriety or irregularity, as Leader of this Administration I would like to know it. I would like to know so I can stop it instantly. If there is gasoline delivered by Imperial Oil which the Newfoundland Government is paying for, if it is to someone who should not be getting it, if it is wrong, improper; I should like to know.

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

**Mr. Smallwood:** It is delivered to highroads tanks at the Department. Imperial Oil delivers millions of gallons to the Government Department of Highroads, and the price is whatever the price is wholesale, less the tax. The Government are not paying the tax to themselves, not paying the tax to the Treasury on its own consumption of gasoline, millions of gallons a year. Now, what other gasoline is it? If there is anything wrong I would like to know.

**Mr. Hollett:** May I ask if the Hon. the Premier would like to enquire at the Department of Supply. I dare say he would find out.

**Mr. Smallwood:** I will. I will. The Minister

of Supply will be the very first to assist me.

**Mr. Hollett:** Yes, I am quite sure of that. I was not raising any criticism of any individual getting gasoline, but to show what gasoline is costing delivered, at least what it is costing delivered by Imperial Oil and what it is costing you, me and everybody else. Mr. Speaker, there is a vast difference between 24.6 cents and 40 and 53 cents a gallon; and the Government itself is collecting 17 cents and I would not be surprised but that they are going to have to put more tax on.

I was pointing out, Sir, the wealth of this Province when you include Labrador and the possibilities of the wealth being produced from Labrador. Put that up against (in juxtaposition) to our public services and then put your McNair Commission Report there. This says all you get it \$8 million, and we haven't even got that guarantee yet, and I ask, are we here in this Province going to be in the future a neglected colony of Canada, as we were a neglected colony of Great Britain of three hundred years? Are we? I ask that question in all sincerity, Sir. I say we are going to be neglected if something is not done, too, under that Term 29 which will make it possible for our Government to not only keep the public services up to the point they are but to raise them much higher. I am quite sure that statement is clear enough. If that is not done we will be a neglected Province or a neglected colony, if you like, of Ottawa. I, for one — as a Newfoundlander, born here, my father, grandfather, great-grandfather and God knows how long back before me — I know how the country, how Newfoundland was neglected as a colony and a Dominion. Is that going to continue? I say with that \$8 million it is going to continue to be neglected. Personally, I do not want to stand for it.

I was referring to the wealth of Labrador, which reminds me of Javelin. I am quite sure the hon. members on the opposite side will not mind a reference or two to Javelin, the "godchild" of this Government. I do not know but Javelin may be the "off-spring" of this Government. Anyway, they like Javelin so well they fed her NALCO and turned over all the NALCO shares, against many protestations by certain people on the opposite side that they would never do it. Indeed, Sir, when NALCO was formed here

in the house by an Act of Parliament, it said the Government of Newfoundland would always control NALCO. This year what do they do? They sold out all the shares to John C. Doyle and Javelin. Who has control of NALCO? Is it Javelin? I say, no.

**Premier Smallwood:** If the hon. gentlemen would allow me. They were not all sold to Javelin and John C. Doyle. The control was sold, in part to them and part to Wabush Iron, made up Pickands Mather of Cleveland; the Steel Company of Canada; Youngstown Sheet and Tube. The controlling interest in the group that bought the control of NALCO are Pickands Mather of Cleveland and the Steel Company of Canada.

**Mr. Hollett:** I was about to say that Mr. Speaker. As a matter of fact the control of NALCO now rests in the Wabush Iron Company and they are in turn managed by Pickands Mather and the other companies concerned. But Pickands Mather are the managing concern, which brings to mind, Sir, what I was about to say there. I think it was a terrible deal for this Government here (on the opposite side of the house) to stoop to, to pass over control of the minerals and of the wood in twenty-four thousand square miles of our territory here in Newfoundland and Labrador through John C. Doyle to Javelin and from Javelin to Wabush Iron, and controlled by Pickands Mather. What did we get? I understand, that the Government got \$1.2 million. I do not know if that is correct or not.

**Mr. Smallwood:** That is correct. Yes.

**Mr. Hollett:** I cannot find it in the estimates. I do not know why. Can the Minister tell me if that is in the estimates, that \$1.2 million?

**Hon. E. S. Spencer:** (Minister of Finance): I have it in the answer here.

**Mr. Hollett:** I am not talking about an answer to a question. I could not find it — that is why I asked the question. Is it capital revenue? Then why is it not in this book? Can the Minister tell me if it is there? Is it there?

**Mr. Spencer:** No.

**Mr. Hollett:** It is not there. It is revenue, Sir?

**Mr. Spencer:** I will tell you that.

**Mr. Hollett:** If the Minister would tell me I would be very happy.

**Mr. Spencer:** Mr. Speaker, in reply to the Hon. Leader of the Opposition, I would like to say that that very point that he makes is strictly correct. 1.2 million does not show in the estimated revenue for this year. There are two reasons for that; (1) being that at the beginning of the year, when the estimates were made, nobody could foreshadow that this payment would be forthcoming, and as a result it was not included. The second reason is that the Comptroller of the Treasury, who makes up the estimates in the final analysis, did not know until this very day, this very day (in fact it was this morning in my office that the Comptroller came to me and pointed out the situation) — he did not know until the staff began to develop the answer to this question, and it happened in this way. It is rather difficult. I think the hon. gentleman will understand there is no such thing as any effort to cover up where this \$1.2 million was concerned. You may rest assured on that. It so happened the meetings at which that decision was made and payment made did not conclude until somewhere around seven o'clock in the morning. The Comptroller of the Treasury was absent from the Province or somewhere on duty, and I had arranged to be present, at the invitation of the Premier to look after financial matters. When the cheques finally came to my office (and they were not to reach me until seven o'clock) I had to telephone to the Assistant-Deputy Minister at the office saying he did not have to wait for them tonight as I would bring them in in the morning. I could not say what time I was going to get them. I might tell the hon. gentleman I was a bit nervous, to have to take \$1.2 million (true in cheques) but I was in a bit of a sweat to have \$1.2 million of Treasury money in my possession during the night.

But believe me, it was not very long next morning before it was deposited with the Assistant Deputy and in a very short time it was deposited to the Exchequer. Now, that

little incident occurred without the comptroller who makes up the final estimates really knowing. That is his word to me today. (The hon. gentleman was in the house a while ago. He is not here now). That is the actual fact. Nevertheless, the money went into the Exchequer and under ordinary circumstances would not have been discovered until the end of the fiscal year, just in the same way as the hon. gentleman or anybody else handling accounts would know what comes in and what goes out of his bank account and know what is left at the end of the year. He would only then be able to discover it. Actually, this is recorded here in the books, of course. So that when our staff began to answer the question which the hon. gentleman himself asked, he will appreciate that, and the hon. gentleman will also appreciate we are giving him full information. So that it is true that the estimates do not show that \$1.2 million as received, coming in this year. It does not show it, nevertheless it is in the exchequer account and certainly received, and that will be properly accounted for and shown at the end of the year; and it was also shown to his hon. house in the reply to Question No. 75, on the Order Paper of Sept. 5th, I think the hon. gentleman, having gotten the information, will appreciate the position. The Minister who had these two cheques in his pocket overnight was not too happy until he had then deposited in the exchequer account the following morning. These are actual facts, Mr. Speaker, and I am quite happy to make a clean breast of it and tell my hon. friend opposite that, while the money is there, it did not show in the actual estimates this year because these estimates were made in the very early part of the year and that payment came in the interim, at close down period if you like. When the house re-opened, there was nothing to bring that up until this question came.

**Mr. Smallwood:** Mr. Speaker, if the Hon. Leader of the Opposition will allow me. I may add to that that the Comptroller of the Treasury came to see me this morning, in a great state of distress to express his personal apologies to me as the Leader of the Government, for his omission of that amount in the printed estimates. He took full responsibility for not having inserted the amount.



He had just discovered it ought to have been inserted. He just forgot to insert it, that is all. The money was in the bank to the credit of the Government, of course, but he just had not inserted it in the estimates.

**Mr. Hollett:** Mr. Speaker, I perceive that I made a very great error this morning in endeavouring to find out why this was not in the budget. I could have dropped a bombshell. I do not feel like dropping bombshells — what is a million anyway?

**Mr. Smallwood:** Of course the hon. gentleman ought to be fair and say this is a million. The estimates are a full \$1.2 million better off than they appear in print at this minute.

**Mr. Hollett:** It would be when it was, but in theory. Remember, it is a long time ago since the hon. Minister of Finance waved these cheques around in the face of reporters, as told by reporters. Anyway it was a long time ago.

**Mr. Spencer:** What did the hon. gentleman say?

**Mr. Hollett:** Quite a while ago there was a press conference, when John C. Doyle paid over \$1.2 million. I believe the press were present, and I believe the Hon. Minister showed them the cheques. Now I am not questioning anything about the honesty nor dishonesty, nor anything. I am just coming to the point of these estimates. I am quite sure, Mr. Speaker, the Hon. Minister would remember an interview he had with a certain reporter some time ago. At that time, when the house was not in session, the Hon. Minister of Finance spoke of some \$90 million, as the revenue or expenditure, as the case may be. I believe I have the clipping right here, yes. I take it the \$1.2 million was included in that \$90 million. A drastic cut in the estimates, the budget —

**Mr. Speaker:** I think the Hon. Leader of the Opposition might say, referring to that, since it took place outside the house, that the Minister is reported to have spoken. The Minister is reported to have said so and so.

**Mr. Hollett:** Yes, that is right. It does not

matter very much. It is common knowledge. I just thought of it at the moment. There is one discrepancy in that statement. I am not blaming the Minister. It must be a misquote or something. In the first paragraph of the article. "As a result of the McNair Report the Hon. Minister decided there would have to be drastic cuts." Yet, if I go to the last paragraph the Minister says (according to this report) "I would point out, when we made up the Provincial Budget we did not take into consideration any money we receive due to the McNair Commission." I cannot make these two statements jive. As a matter of fact, why the Hon. Minister should make any statement to any reporter or anybody outside the Cabinet on the budget which was to come up, I must say I fail to understand.

**Mr. Smallwood:** Why does not the hon. gentleman be fair? Why does he not say he recalls the Hon. Minister repudiating the whole interview as it appeared in the paper in question.

**Mr. Hollett:** That is it, I suppose, July 30th., next day. "Finance Minister Spencer has called for dismissal of reporter employed by Evening Telegram on the grounds that confidential budget information was given the reporter as a representative of the Manchester Guardian."

**Mr. Smallwood:** "Not" given him, "Was" is what appeared in the Evening Telegram.

**Mr. Hollett:** I don't know. Argue all you like and twist it all you like.

**Mr. Smallwood:** The twisting was done by the reporter. The hon. gentleman knows it. A literary scoundrel, the same individual who made the attack on the great religious leader, the same scoundrel. This little scoundrel came over here from England and was hired down there by that paper.

**Mr. Hollett:** I get tired of that word scoundrel.

**Mr. Smallwood:** He is a scoundrel, a scalawag that made a brutal attack on a prominent religious leader.

**Mr. Hollett:** What has that got to do with

me? I had nothing to do with it.

**Mr. Smallwood:** It shows the scoundrel he is, the scalawag he is.

**Mr. Hollett:** I am not talking religion, but budget.

**Mr. Smallwood:** I am not talking religion either, but about a scoundrel. They sink pretty low when they keep that kind of trash. Seems to specialize in scoundrels and scalawags.

**Mr. Speaker:** Order.

**Mr. Hollett:** Like Valdmanis. Like Valdmanis and a few others. Why should the Minister of Finance confide in any reporter on the budget. I hear no voice from the gallery. There is no answer. No answer. Do not think I am doing this in order to damn the Minister of Finance, because I have a great regard for him. But I do want the business of Government run according to Hoyle, so to speak, and I am quite sure the Minister does. If there is a scalawag reporter then the Minister is smart enough, I hope, to recognize a scalawag. He cannot be calling people scalawags simply because —

**Mr. Smallwood:** Because they are liars. Oh no. He is a liar, a cheap liar.

**Mr. Hollett:** I did not say that.

**Mr. Smallwood:** A scalawag and much more, should be run out of St. John's on a rail. Had it been someone else he probably would have been run out, a scalawag, a scoundrel. The Evening Telegram was heartily ashamed when they discovered that the letter was his, I say that for them.

**Mr. Hollett:** Could I sit down and talk, Mr. Speaker?

**Mr. Smallwood:** Don't defend this viper.

**Mr. Hollett:** I am not defending. I am attacking the Government. The Government has made more mistakes in the last ten years than all the Governments in Newfoundland in the past hundred years.

**Mr. Smallwood:** And done more too.

**Mr. Hollett:** You have done a lot.

**Mr. Speaker:** Order. I suggest the Hon. the Premier wait until he begins his speech.

**Mr. Hollett:** And cool off. It is not good for the Premier and not good for me to get over-wrought.

**Mr. Smallwood:** Don't defend this thing.

**Mr. Hollett:** I am not defending anybody. I say, I am attacking, I certainly am not defending the Comptroller of the Treasury nor the Minister of Finance for failing to put in the estimates a small matter of \$1.2 million. I searched the budget upside down for that \$1.2 million, \$900,000 for shares and \$300,000 for profit. Where the profit came from I do not know. At any rate it was \$1.2 million two hundred thousand dollars. I searched the estimates upside down and could not find it, and went and found that, owing to an omission, it was not in the estimates. These estimates, Sir, we are supposed to take as Gospel. Yet the Government can leave out \$1.2 million. Forget all about it, bring in the budget and balance it by getting a loan of \$14 million. I say the Government, Sir, are short on financing, I will not say ability. After all, I guess their ability is as good as mine on finances. I am not much of a financier. Still, I must score the Government for that mistake. The Hon. the Premier will say he would do the same thing. It is something that should not have been done. We are paying for services, and it is absolutely essential that these men getting paid for these services should see to it. Can you imagine, Sir, any other Government in the world forgetting when bringing in the estimates a mere \$1.2 million on the revenue. Enough about that.

**Hon. Dr. J. McGrath:** (Minister of Health): May I remind the Hon. Leader of the Opposition that one of the most famous Ministers of England said he never could understand these "damn dots" in the estimates; that was the father of the great Sir Winston Churchill

**Mr. Hollett:** There is one thing I will say now. If I had not asked the question a couple of days ago, the answer to which was tabled here today, the public of Newfound-

land and this house would never had known anything about it.

**Mr. Smallwood:** Would not have known what?

**Mr. Hollett:** About what I am talking, the \$1.2 million.

**Mr. Smallwood:** It was announced in the press and over every radio station. Photographs in the newspapers, and the omission of the figures is not the money.

**Mr. Hollett:** Mr. Speaker, have I not the floor?

**Mr. Speaker:** Order. Order.

**Mr. Hollett:** Mr. Speaker, I would say the Government made so many mistakes in the past they ought not to get overheated.

**Mr. Smallwood:** Talk loud and long enough and the hon. gentleman will persuade himself the money is gone. It is not. The figure is absent but the money —

**Mr. Hollett:** I did not say any such thing. I know the money could not go. Now, Sir, I spoke of NALCO. I am a bit concerned over NALCO. I wish it were possible for the Government to retrace its steps in regard to NALCO. We all know what happened in the United States the other day when the Exchange Commission banned John C. Doyle from trading on the American market. He sold \$507 odd million worth of Javelin stock.

**Mr. Smallwood:** It was never said he had sold these shares.

**Mr. Hollett:** It was in the press.

**Mr. Smallwood:** Not that he had sold them,

**Mr. Hollett:** No. They were sold from Canada. Who else sold them?

**Mr. Smallwood:** Speculators who speculate in stocks sold and resold them a thousand times. They were not sold by Doyle, not by the treasury of that company.

**Mr. Hollett:** I suppose the members on the

opposite side would know about the selling and reselling.

**Mr. Smallwood:** Actually traded all up and down North America.

**Mr. Hollett:** People made lots of money on Javelin shares, lots of money.

**Mr. J. D. Higgins:** (St. John's East): A lot more than on Maritime.

**Mr. Hollett:** In the budget (getting away from contentious matters) the Minister states that he is going to spend something extra on Education, \$2 million. I took the trouble to look at that. I believe over \$1 million of that will go in teachers' salaries. Now while we all want to see teachers get all the money they can get, they deserve it. I suppose that is an improvement in public services. I suppose the higher the salary the better the service. Is that correct? Now always. I do hope the Minister will be able to spend more next year on education.

**Mr. Smallwood:** Hear. Hear. And the year after and the year after that.

**Mr. Hollett:** I am glad to commend the Government on the recent scholarships which they have provided. I think this is necessary. I think this is necessary, and I think they will be an inducement to more of our children to attend school for longer periods and endeavour to acquire higher grades, and thereby become efficient in teaching, and that the profession of teaching will be a profession where a person can get a salary sufficient to justify their remaining in it.

Health — \$1.5 million to be spent. I have already said something about health, because I believe health and welfare have been well administered by the Government, or at least by the Ministers appointed by the Government, therefore, the Government must get the praise. As I pointed out, there may be a few little knots here and there but things are getting better, and I believe the National Health Scheme is going to be a great benefit to the Province, which is scattered "all over the universe," almost. Now the building and paving of additional miles of road this year is to cost \$4.5 million. I

hope to have more to say about the roads when we come to the estimates. But I was going to refer to some of the answers which I received with regard to machinery which is being purchased by the Government. I think the Government will have to pay some \$6 million for new machinery which they have brought. These machines will be paid for monthly. I take it the Government is probably getting, I think it is, about \$1.25 million worth of machinery for \$6 million or something like that.

**Mr. Smallwood:** The Government what?

**Mr. Hollett:** In other words, paying for machinery over a period of five years, machinery which, for cash, would cost about \$1.5 million or \$2 million is likely to cost \$5 or \$6 million. Well, if Mr. Speaker would like me to give the figures on that, I have them here somewhere.

**Hon. G. J. Power:** (Minister of Highways): It is yearly installments, added up each year would be a million and a quarter.

**Mr. Hollett:** I see. Probably the answer given me was given in the wrong manner.

**Mr. Smallwood:** The hon. gentleman does not want to be quoted in the press and on the radio as having said the Government is paying \$6 million for \$1.25 million worth of machinery.

**Mr. Hollett:** If that is how it sounds, it is not correct. They are paying much more than they would pay —

**Mr. Power:** No Sir, if you will allow me — much less than we ever paid for machinery before because we had a lot of it. In fact, the other day we bought two graders for \$22,500 each, which is a remarkably low price, and that includes the financing.

**Mr. Hollett:** They bought some for \$25,000 previously.

**Mr. Power:** Some with snowplows, that cost that much.

**Mr. Hollett:** Now I believe (and I am glad to say this)—I believe that the Federal Gov-

ernment has made an offer to all of the Provinces in regard to access roads. I asked a question about that, and the Minister very kindly gave me the answer to that question. Some of it, I believe, is more or less of a confidential nature at the moment, and I would not say anything about it. But I do want to say to our people in Newfoundland, in different areas, and I would love to be able to name the areas, they are going to have a lot of money to spend. I think around \$7.5 million, per year for the next five years.

**Mr. Smallwood:** No. No.

**Mr. Hollett:** \$1.5 million a year for five years, which is \$7.5 million. That says there will be \$15 million with both Governments. If the Federal Government pays \$7.5 million and the Provincial here. There are five different parts of the country which will be served by eighteen-foot roads, and I believe that the Government would be wise in copper-fastening the agreement with the Federal Government on that. On that I do not want to say anything more at the moment. I believe the answer was probably given to me in error, and I do not want to quote the contents of it. I am sure the Minister, as soon as he can, will be glad to give the contents to the house and the people of Newfoundland. Electricity: Of course that has already been referred to by my colleagues, and I can see the Government made no plans whatsoever, no plans whatsoever, because they allocated \$1,000 in the estimates. I wish we could see these reports of this Commissioner, but we apparently cannot see them.

**Mr. Smallwood:** If the hon. gentleman would allow me. I am going to make a complete statement on this matter before the house prorogues.

**Mr. Hollett:** Very good. The Hon. the Premier will make a statement with regard to electrification.

**Mr. Smallwood:** I said, I hoped.

**Mr. Hollett:** Well, the Hon. the Premier's hopes are usually realized.

**Mr. Smallwood:** Certainly they are. Except in the Federal election recently.

**Mr. Hollett:** By that, the Premier reminded me of something he told me, Sir. But why should I bring that up now. That was one dream not realized. Mr. Speaker, it is rather amusing. Looking through the estimates we find that the Minister estimates \$48-odd millions as revenue. Well, there will be another \$1.2 million. It will be now \$50 millions. That was, last year, \$48,953,000. The Minister goes on in his budget speech: "Unemployment, and consequent semi-destitution, increased very sharply indeed in this Province." "Unemployment" and "semi-destitution" these words in the budget speech of Newfoundland. I am quite sure some of the hon. members on the opposite side are squirming. "Unemployment and semi-destitution." "Never again a hungry child." "Three jobs for every man." And we all hoped it would come true. We all hoped it would come true and I wish to God it were true. Now, Sir, in answer to a question the other day we discovered that 17,000 were on relief in July, 17,000 people, and that is able-bodied relief. That is not talking about all the relief which has been issued by the Department of Welfare. I have already commended them. Last year, they had to spend just about \$6 million on relief of various kinds, and \$4 million were allocated. The Minister said they had to get another couple of million dollars.

**Mr. Smallwood:** The hon. gentleman should not get partisan on this matter because it would invite retaliation. It is better not to be partisan about this recession and unemployment.

**Mr. Hollett:** I do not know what the Hon. the Premier would do.

**Mr. Smallwood:** Don't bring partisanship in. It is regrettable there is unemployment.

**Mr. Hollett:** It is a world condition.

**Mr. Smallwood:** All right, don't blame this Government nor Confederation.

**Mr. Hollett:** I said, the Government, with all their highfaluting promises they made to the people, had a lot to do with the failure of the fishery.

**Mr. Smallwood:** Failure of the bait.

**Mr. Hollett:** There was plenty of bait. They sold it all.

**Mr. Smallwood:** We sold it?

**Mr. Hollett:** You should have control of it.

**Mr. Smallwood:** The Government of Canada has one hundred per cent control of exports. That squid was exported. We have no control.

**Mr. Hollett:** You should then.

**Mr. Smallwood:** We have not, by law, by constitution.

**Mr. Hollett:** What have you got a Department of Fisheries for?

**Mr. Smallwood:** Not to control exports, that is controlled by the Department of Trade and Commerce.

**Mr. Power:** They allowed that bait to be sold.

**Mr. Smallwood:** Yes, I did not raise this.

**Mr. Hollett:** I don't care if I get partisan or not. I do not mind. I do not give a hang.

**Mr. Smallwood:** Don't blame this Government, we have nothing to do with exports.

**Mr. Hollett:** I don't blame this Government for anything.

**Mr. Smallwood:** Don't blame us for that.

**Mr. Hollett:** I hope they get all the credit they need. They are going to need some very, very shortly.

**Mr. Smallwood:** Don't go getting partisan about that either or I can get partisan. Why do we have to borrow?

**Mr. Hollett:** Mr. Speaker, we would have to borrow in any case. If we got the \$13.6 million we would have to borrow anywhere from \$3 to \$4 to \$5 million. I think the Minister will agree. The estimates show it anyway. Anyway, after spending \$2 million on account of this relief, to relieve unemployment and semi-destitution and \$168,000

on highways, there was a deficit of \$2 million on current account and on capital account an actual deficit of \$12,809,000. So you can see we want that. I can see I have to study some of these things in this budget speech. There are some things that even I am not perfectly clear on. The Minister estimates some \$74 but now \$75 million. Even if we do not get the McNair \$13.6 million we will get \$11 million more in revenue this year on current account than last year. My goodness, if the McNair Commission had only seen that, if they had only seen that before they recommended the \$8 million.

**Mr. Smallwood:** They had all the figures, the latest figures; it is only a matter of three months ago.

**Mr. Hollett:** They did not know we were going to get \$11 million. If they had known that, they would never have given us \$8 million. Well, that is one thing not in their favour anyway. I don't think I will quote any more figures, Sir, because it becomes very tiresome. According to my figures, if we don't get the \$13.6 million, we can expect a deficit of something like \$17.5 million on ordinary and capital account. I have another note. What is the method of hiring them? I spoke about hiring men. That is done, is it, through the superintendent, or through the Department, or how is it done? I wonder if the Minister would be able to tell us that at the moment.

**Mr. Power:** It was done by the superintendent in most cases and in some cases it was done by me. That is my authority, to hire personnel.

**Mr. Hollett:** The Minister admits, therefore, he has a lot to do with the hiring of men.

**Mr. Smallwood:** He does not admit. He says it, and the Act says so.

**Mr. Hollett:** I don't think that ever happened before.

**Mr. Smallwood:** It always happened.

**Mr. Hollett:** No, the Ministers always kept their hands off that and left it to the

superintendents to hire men, since they are the best judge of whom is the best worker, the best judge of who can handle a truck or bulldozer or what-not. I do not think any political allegiance to the Minister should give the Minister the right or authority to appoint.

**Mr. Power:** Who would hire the superintendents? Who would know who to hire?

**Mr. Hollett:** I take it the department. I do not say the Minister, even, because the Minister usually would not know.

**Mr. Power:** Thank you, very much.

**Mr. Hollett:** I mean that ordinarily the Ministers don't know too much about the work of the departments which they head up.

**Mr. Smallwood:** They would not be very good Ministers if they did not.

**Mr. Hollett:** Well, take a look around over here, are they appointed because of their knowledge of the Department or Departmental work.

**Mr. Smallwood:** Or their ability very quickly to get acquainted.

**Mr. Hollett:** Yes, I note the Minister of Highways has ability very quickly to get familiar with the methods of hiring.

**Mr. Smallwood:** And does not avail himself of the services of the man who hires and fires for the National Park.

**Mr. Hollett:** I have a note here about the paving through Clarendville.

**Mr. Power:** The road is being prepared to be finished before the season. I said, if it is made ready before the season is over, the paving will begin.

**Mr. Hollett:** I see, if the road can be made ready before the season is over the paving will go through. I think the hon. member for that district remembers that away back, I believe, in 1956, during the election, it was promised. That is why I asked it if were

done. Now I come to Fisheries. I want to say just a word or two about the fisheries. I am sorry you have to put up with me so long but there is only a small crowd of us and we have to say a lot of things. I want to know about the O'Brien Fisheries. I want to be quite clear. As I have it, it was the intention of the Government, through O'Brien Fisheries, to assist the people particularly in White Bay area, in the fishery with regard to lobster and salmon. Now I am aware of the fact that last year, you know, the O'Brien Fisheries went broke. Last year the Government spent some \$40-odd thousand for lobsters purchased, but the Government have apparently failed to pay for the salmon which was purchased by the O'Brien Fisheries. I am wondering why? I think it comes to \$4 or \$5 or \$6 thousand in that particular area of White Bay. The member for White Bay South would probably know. I want to know why salmon are not being paid for. I understand the O'Brien Fisheries assets were purchased by the Government, or an agency, a short time ago. If I am wrong, somebody will probably correct me from the opposite side. Perhaps I had better leave it to the estimates when the Minister of Fisheries is here and get the information then.

**Mr. Smallwood:** Yes.

**Mr. Hollett:** While waiting for that, perhaps some other members of the Government would think about it because it is most important. I think, that the Government ought to take that into consideration, because if the Government have acquired O'Brien Fisheries and all its assets, surely therefore they have acquired also its debts.

**Mr. Smallwood:** No.

**Mr. Hollett:** They acknowledged that by paying for the lobsters and therefore they must pay for the salmon. It is only \$5 or \$6 thousand. I can give you a list of names of all the fishermen, Mr. Speaker; I hate to see things like that happen in our outports. However, I will bring it when the Minister of Fisheries is on deck. I have a note here about the Fisheries Development Authority. We got an answer to a question from them a day or two back. There again there

are some questions I would like to place before the Minister. I had better leave that. A question was asked here the other day with regard to salaries paid and whether they were paid under an agreement or contract or how. The answer was that there was no agreement, no contract, no such agreement nor contract. That was not my impression. I distinctly remember the Hon. the Premier, I believe, getting up in this House and stating there was an agreement that these members would be paid, as to the Chairman, \$25,500. Actually he is paid \$25,498.99. I was almost tempted to send him two cents to make it square. The other two members area paid \$25,000. I also remember the Premier stating that that contract was for ten years, and at the end of ten years they could ask for and receive a pension of some \$10,000 a year; and under certain circumstances, if either of the members died the widow would receive a pension of \$5,000. Now we are told there is no such contract. I distinctly remember the Premier stating that.

**Mr. Smallwood:** The hon. gentleman, why does he not be fair? He is told that now. He had not been told something opposite. He has been told there is no signed agreement. That is all he has been told now. There is no contract.

**Mr. Hollett:** There is no agreement?

**Mr. Smallwood:** No signed agreement.

**Mr. Hollett:** But there is an agreement.

**Mr. Smallwood:** No signed agreement, but there is an agreement.

**Mr. Hollett:** Well, make what you like out of that, Mr. Speaker. Now I had other things here about the fishery, but will put them off until the Minister is here. Now, Sir, the other day I brought in a petition here from the people of Placentia, and I am not going to spend much time at this moment with regard to the possibility of getting a bridge across Placentia Gut. We were informed by the Hon. the Premier the reason why the Government would not consider it was that it would cost too much, they had already spent three or four hundred dollars on a

ferry and they were not going to scrap that and build a bridge costing well over \$1 million. Now I remember the Hon. the Premier out at the Exploits River the other day, opening the Robert Bond Bridge, stating that bridge, which is several hundred feet long, cost a matter of \$771,000. So that I am wondering what makes the cost of a bridge on Placentia Gut so much more expensive than the one over the Exploits River?

**Mr. Smallwood:** Well, that has to be a drawbridge, or else so high that ships can pass underneath it. It is navigable water and the Government of Canada will not permit a bridge to be built across that Gut that interferes with navigation there. The bridge had to be either a drawbridge, or so high that it would make it nearly a mile long. While I say a mile, it may be that it would mean only a half a mile, but a very long bridge to get the necessary height. In either case, they cannot bar ships from going through the Gut. That would make it very expensive. Secondly, what would make it so expensive is that you have to, at each side, go down a staggering, a simply staggering depth, with piles. When we brought Thompson down, (the chief bridge man of the Government of Canada, Col. Thompson) his estimates was over \$1 million. It would cost much more than that now.

**Mr. Power:** During the building of the ferry docks, they put down interlocking piles, and these were forty feet long, and one of them got bent somehow or another so they cut it off and drove that down and another one on top, the first one was forty feet and then twenty feet on top of that and still no bottom.

**Mr. Hollett:** The reason I brought it up is that the people out there would be quite happy to contribute by way of tolls for a toll bridge. I have read about these toll roads and such things. I was wondering if there were some way by which the Federal Government might come in on it. I am thinking of Placentia as one of the oldest settlements in Newfoundland and one of the most beautiful scenes in Newfoundland. From the answer given to me the other day by the Hon. the Premier or the Hon. Minister, the number of cars and the number of people which are transported daily and yearly by

that little ferry would indicate to me that there is a necessity of a bridge, and that it would be a grand thing for the people and not only the people in that area but for the people all over the Avalon Peninsula if that bridge could be built. A drawbridge or otherwise, so that the people could cross without undue delay, and cross at all times, and would not have to go around that twenty-four miles of road on occasions when the boat is laid up, and the ice is in and on other occasions. I think it would be a marvellous gesture on the part of this Government, if they could arrange some way, a financial scheme—and they are pretty good at financial schemes—whereby this bridge could be built.

**Mr. Power:** Mr. Browne (Hon. W. J. Browne M.P.) said he would build the bridge. We should not be worrying about it.

**Mr. Hollett:** I don't know whether Mr. Browne said it or not. He is not here to defend himself.

**Mr. Smallwood:** He does not need to defend himself.

**Mr. Power:** The bridge committee announced he did. He is going to build it. Why worry?

**Mr. Hollett:** That is stilly and childish, and I do not attribute childishness to the Minister. That is absolutely silly, I am talking about the need of a bridge, the need of the people and the right of the Government to try and fulfil the needs of the people, not only in Placentia but all over the Island. I had a note here on White Bay North, and some wonderful information here for the member. He is here. I do not think I will bring that out now. I will have another opportunity. Now, Mr. Speaker, there is an awful lot one can say on this budget. I recognize we are now, I think, as somebody said, at the crossroads, so to speak. We are certainly at the crossroads, and we are going to need to be very careful. I refer to the Government, and when I refer to the Government I also refer to the House of Assembly of which we are members. It is not going to be easy for any Government to finance the needs of this Province. It is not going to be easy for them to keep up even the level and standards of



public services which we have at the present time. And God knows, if we cannot get them any higher than they are now in certain sections of the Province, then we are not going to have too much through being members of the "Great Canadian Nation." It is therefore, as I say, very important that we as Newfoundlanders must stand shoulder to shoulder for the welfare of our people all across this Province from Hebron, however far down the farthest North is, right up to Cape Race. We came in late. We came late into Confederation.

Here is something which I am quite sure we all ought to remember. When we went into Confederation, the per capita national debt of the Mainland of Canada was \$800 more than was the per capita "national" debt of Newfoundland. That has always been my contention, and I think it is quite plain and simple. How are national debts created? Are they not created by the attempt of the Government to raise the standard of public services? I maintain, therefore, that the \$1,200 per capita national debt of Canada contributed very greatly to the levels and standards of public services on the Mainland prior to our entering into Confederation. The built up a national debt of \$1,200 per person, whereas we had a national debt of about \$400 per person; consequently the people on the Mainland of Canada have the benefit of that \$800 per capita national debt on which you and I today are paying interest and sinking fund. Should not therefore, in the last analysis, the Federal Government allow us a certain interest on the difference, which I have figured out ought to be about \$15 million a year. Figure it out how you like! I figured it out at about \$15 million a year, five per cent. If the McNair Commission recommended that, I would say yes. That is exactly what they should have done, or something like that. Even now, I would suggest—Let us review it again in ten, fifteen or twenty or twenty-five years, as the case may be.

These are my thoughts on that, and I am quite sure most of the members on this side of the house agree that the public services here in Newfoundland and Labrador cannot be built up—they cannot be kept up to where they are now, on \$8 million a year, and certainly cannot be built up anywhere near these existing on the Mainland of Canada, in New Brunswick, Nova Scotia.

The reason why their standards are so great is due to the fact that the Federal Government built up a national debt by putting public services into these places. We did not have the benefit of that and therefore they should give us the benefit of that now. Sir, until they do that, I, as one Newfoundlander, will not be happy over Confederation. Thank you, Mr. Speaker.

**Premier Smallwood:** Mr. Speaker, I propose to say a few things in this debate, but as it is not five minutes to six o'clock and the custom is to rise at six o'clock I wonder if we could have the consent of the house to rise now until eight o'clock tonight. So that perhaps we could conclude the debate tonight and go on to the estimates and thereby be free from meeting tomorrow. If we sit tonight from eight o'clock to eleven o'clock say, and include the debate on the budget and go into the estimates and rise at eleven o'clock, we could be free tomorrow to go back to the Departments. The Minister would be free to go back to their Departments to do long overdue work and the members on the other side could go back to their public duties in another field. If this is agreeable to the house, I would ask that the house rise now and meet again at eight o'clock tonight.

**Mr. Speaker:** It being now six o'clock I do leave the Chair until eight o'clock P.M.

September 5, 1958

Night Session

The House resumed at eight o'clock.  
Debate on Budget Speech (con'd)

**Hon. J. R. Smallwood:** (Premier): Mr. Speaker, there are only two or three things I want to say tonight, and I do not intend at this moment to take very long to say them. The first thing I want to do is to deal with the remarks made by the Hon. Leader of the Opposition here in this house today and earlier in a statement he made outside this house. It was the same statement on both occasions. He said: there was "something wrong." He did not say just what was wrong but that there was something wrong with the fact that this Government had been carrying on the Government, the public affairs

of Newfoundland, notwithstanding the fact that the house was in adjournment, long adjournment, and that the amount of interim supply that the house granted when it was in session earlier in the year was exhausted that there was "something wrong" about the Government spending money, public money, without the specific authority of the House.

**Mr. Hollett:** Excuse me, Mr. Speaker. If the Hon. the Premier would allow me? I said there was something wrong with spending huge sums of money without the consent of the house.

**Mr. Smallwood:** Yes. Huge sums. Small sums. Sums. Now, Sir, the general public would not be expected to be very familiar with constitutional history, with the fact that putting the control of expenditures of the money the Queen spends for roads and schools and hospitals and other public services, putting control of that, the Queen's Purse, into the hands of the elected representatives of the people was a dearly sought and dearly won battle in the constitutional history of Britain, which is our Mother Country in so far as our constitution is concerned. There was a time of course, when the King or the Queen, whenever he or she wanted money, would merely impose a tax on the people and collect the money and spend it as he or she liked, or as it pleased him or her to do. Parliament, that is the elected representatives of the people, sought, over a long period of time, to win for themselves the right to control what the King would spend. It would take, of course too long to describe in detail how the Kings resisted that demand of the peoples' representatives, and how the peoples' representatives persisted, and how they were able to turn to their own advantages certain weaknesses, certain great needs of certain Kings, which caused them to give up and yield up their power, until at last complete control of the King's Purse came into the hands of Parliament, and here in Newfoundland, the House of Assembly.

**Mr. Hollett:** Subject to the Audit Act.

**Mr. Smallwood:** Subject to nothing, subject to nothing. The control of Parliament over

the Kings' Purse, over the amount of money he may get by taxes, and how much he may spend is in Parliament, absolutely. It is an absolute power. It is unconditional.

**Mr. Hollett:** Right. In Parliament.

**Mr. Smallwood:** That is what I am talking about. I have been talking about it up to this moment, the battle of the elected representatives of the people to take into their own hands, from the hands of the King, into their own hands — (that is Parliament) — absolute control over the King's Purse, that is to say, over his right to levy taxes on people and his right to spend the proceeds. That battle was won. In all ordinary circumstances, the Queen, Her Majesty the Queen in Right of Newfoundland, is allowed to tax the people of Newfoundland only in so far as the people's House, that is the Legislature, will permit Her to do it. Her Majesty the Queen in Right of Newfoundland is permitted to spend that money only as the house directs her to do. In other words: In this house rests absolute control of the Queen's Purse in so far as the Queen in Right of Newfoundland is concerned. It is not the Queen's Purse in Right of Great Britain nor in Right of Canada nor in Right of Canada nor in Right of Nova Scotia. Now, the people of Newfoundland, I would say, are not consciously (entirely) aware of these facts, but they are subconsciously aware. I think the people of Newfoundland do know that the Government, who are only the Queen's Ministers, the Queen's Servants, the Queen's Government, the Queen's Ministers who act for her, spend her money for her, they can have only the money that this house will allow them to have and spend what this house will allow, them to spend. This house means all the members of it including the Ministers. That is normally the case, and this is in fact what happens. But, Sir, it requires no very great amount of experience, nor very likely imagination, to be able to picture circumstances where that cannot practically be done. So the law provides for the cases where it cannot practically be done. I have the law here before me. It is the Revised Statutes of Newfoundland, 1952, Vol. 1, Chapter 31. It is the Revenue and Audit Act. I invite the attention of the Hon. Leader of the Opposition to Section 37, with

which apparently, I say (if we can judge by what he said in this debate and in certain public statements he made outside this house) he is not too familiar with Section 37.

**Mr. Hollett:** I know it off by heart, and also Section 42.

**Mr. Smallwood:** If we can judge by what he said in this house, then he does not know anything about Section 37, he never heard of it, it does not exist for him, insofar as can be judged by what he said in this house.

**Section 37:** "If, when the Legislature is not in session, or when the House of Assembly has stood adjournment for more than thirty days, or, if being in session, it has stood adjournment for thirty days," (in either one of these situations) "if an expenditure in excess of that provided for by the Legislature," (over and above that provided) "or one-foreseen and not provided for by the Legislature, is urgently and immediately required for public good, the following shall have effect, shall be the law of the Land." Now in the first case — The house is not in session but need arises for money to do certain things for the public good, urgently and immediately, money that has not been provided by the Legislature. That is one case. The other case here is where the house is in session but is adjourned for at least thirty days — thirty-one days, thirty two days after it stood adjourned.

In either one of these cases:

(a) "if the thing for which expenditure is to be made is one for which the Legislature has made provision but the provision is found to be insufficient, then, upon the report of the Minister that there is insufficient Legislative provision and that no countervailing savings are available under the subheads of expenditure concerned, and that the Minister has examined into the question that the necessity is urgent, then the Lieutenant-Governor in Council may," (that is the Executive Government — the Governor plus the Cabinet)" upon the written recommendation of the Minister, order that

a special warrant be prepared for signature by the Lieutenant-Governor for issue" — that is, that a warrant be issued by the Queen's personal representative (that is what the Lieutenant-Governor is. I would remind the house the Lieutenant-Governor is not the representative of the Government of Canada, he is not the representative of the Governor-General of Canada. He is the representative of Her Majesty the Queen. He is her personal representative) "and the Cabinet," the Queen's personal representative and the Cabinet acting together, "may order that a special warrant be prepared for signature by the Lieutenant-Governor, for issue of the amount estimated to be required, and the amount shall be added to the appropriation under the relevant head of expenditure." Now that is one case:—

Now (b) "If the subject of expenditure (if the thing that the Queen's Ministers wish to spend money on) is one for which no legislation provision has already been made" (the first one is where some is made but not enough) then, upon the report of the Minister that there is no legislature provision, that is of the Minister having charge of the service in question, that, in his opinion, the need is urgent, giving reasons for his opinion, and that, if such expenditure is not made grave damage to persons or to property or to the interests of the Crown or the public will occur or excessive additional expenditures will result from delaying the expenditure until the next Legislative provision has been made. Then, and in such a case, the Lieutenant-Governor in Council (again the Lieutenant-Governor and the Cabinet) may, on the recommendation in writing of the Board (the Treasury Board) order that a special warrant be prepared for signature of the Lieutenant-Governor (a warrant signed by the Lieutenant-Governor himself, the Queen's representative) for the estimated amount required and an additional sub-head shall be set up by the Comptroller, against which the expenditure shall be charged."

Sir, I have had copies of that prepared, so that if any one does not want to take the

trouble to get this volume, or does not find it easy to get it, these are the revelant sections: Now, I suspect that the Hon. Leader of the Opposition is well aware of these two clauses, that he is as familiar with them as I am: But, being the Leader of the Opposition and being charged by constitutional precedent and practise with the endless attempt to defeat the Government, which is his duty and is the duty of any hon. member of this house, who occupies his position — he is charged by history itself, British History, with the task of carrying on a war that never ends to bring about the downfall of Her Majesty's Government. Now the Constitution provides for that. That is why the Opposition are known as Her Majesty's Loyal Opposition. The word "loyal" is very important there, because without the word loyal they might sound like a bunch of revolutioners, little as they look like it, little as my hon. and learned friend, the member for St. John's East, looks like a revolutionary; yet, without the word "loyal" —

**J.D. Higgins** (St. John's): My grandfather was shot, you know.

**Mr. Smallwood:** That was not in Newfoundland. That was in a more colourful island, even, than this one.

**Mr. Higgins:** I do not know if he was very "loyal" either.

**Mr. Smallwood:** But knowing so well as he does what I have just quoted, which is the law of the land, and which this Government did not pass but which was here before I was born, knowing that as he does, and being the Leader of Her Majesty's Loyal Opposition and endeavouring to fulfill his duties to the land, and to the letter of the law, to bring about the downfall of this Government, he omits all reference to that, and comes out and tells the public what a simply horrible thing this Government is doing now. "Now look what they are doing. Spending money without the authority of Parliament, the Legislature." And, Sir, I dare say, I do not doubt, there were people who heard that announced on the radio, as they have heard many, many things announced on the radio, who shook their heads and said it really does look as though the Government

are gone mad with power; they have become a power made crowd of dictators who ignore the law, who pay no attention to the constitution, with their big majority they are riding roughshod over everything that is British. I dare say, Mr. Speaker, there were some who were of that impression, as a result of what the hon. Leader of the Opposition said.

Now, I do not blame the Hon. Leader of the Opposition, because precisely the same thing has been happening in our Mother Parliament in Ottawa. There, the Government of Canada, incidentally is subject to exactly, exactly, the same procedures as we are here. They are the Queen's Ministers in Right of Canada as we are in Right of Newfoundland, and they have to do precisely what we have to do. We have to come in humbly and ask the peoples' representatives, the elected members, will you please give Her Majesty \$92,700 to go to the executive council for the expenses of the executive council; will you be pleased to give \$180,000 to the Minister of Provincial Affairs to enable him to carry out the Queen's Business, which has to be carried out in that department? Will you be pleased to give \$12 million on current account to the Minister of Education so that he may carry out the Queen's Business in Connection with education? As we do so, they also have to go before the elected representatives of the people and pray humbly that the house shall give this money that belongs to the people.

**Mr. Hollett:** Would the Hon. the Premier allow me to ask him a question? Does he really think Section 37 of the Audit Act was framed to allow the Government to have the house remain closed for six months after the end of the fiscal year? Was Section 37 made to take care of this situation?

**Mr. Smallwood:** It was framed to take care of any situation, any situation that is almost conceivable.

**Mr. Hollett:** Why open the house at all?

**Mr. Smallwood:** The normal thing is to open the house, and this is to take care of any situation which may arise, that you could imagine arising, where the house cannot meet or where it is not timely for it to

meet, where it is not right in the circumstances for the house to meet. It is to take care of the cases where the house does not in fact meet. Now in Ottawa, in the Parliament of Canada, the Queen's Ministers are subject to precisely the same constitutional background and laws precedent and practise and procedures as we are here. There is no difference in the wide world. The British Constitution is the same throughout the world, wherever you have Responsible Government, wherever you have a Government the Ministers of which are responsible to the house that has been elected. So that when they are confronted with the same situation, exactly that confronted us.

**Mr. Hollett:** Not exactly no. There was no Government.

**Mr. Smallwood:** Precisely. The reason why the house was not opened in Ottawa was a different reason than why the house was not opened here. But the reason in both cases was the reason that the house was not open. Why it was not opened in Newfoundland was one thing.

**Mr. Hollett:** There was no house in Ottawa.

**Mr. Smallwood:** My hon. friend must be aware of the fact; he must be aware just as well as he is aware of this fact, that the Governor's Warrants that the Queen's Ministers in Ottawa moved the Government of Canada, the Queen's Representatives of Canada to sign, were partly in respect of the part of the year when there was a Parliament and partly in respect of a year when there was no Parliament. He must be aware of that. The amount was \$544,290,332.32. That is the precise amount that Hansard of July 29th., at page 2837, gives.

**Mr. Hollett:** This house could have been called together at any moment.

**Mr. Smallwood:** They could have called theirs together at any moment.

**Mr. Hollett:** They prorogued.

**Mr. Smallwood:** Yes, In respect of the prorogation, they could not call it together until the election was held. But before the pro-

rogation, when there was a Parliament, they could call it together any moment, and they did not and had the Governor's Warrants. Now, I am not blaming them for that. The Opposition in Ottawa are — the Liberal Party, in Opposition in Ottawa — have been making the welkin ring; as it is their duty to do, trying to show, somehow, the people of Canada there was something wrong about what the Diefenbaker Government did, in precisely the same way as the Tory Opposition in Newfoundland is making the welkin ring, trying to make the people of Newfoundland see something wrong with what the Smallwood Government did. Both Governments did identically the same thing. Both Governments were right. What both Governments did was entirely constitutional, as this shows.

**G.R. Renouf (St. John's South):** Mr. Speaker, might I ask the Hon. the Premier a question? I would ask him; Is he aware that the British Constitution, which he has quoted, is not a written constitution but governed by very great experience over centuries by custom and public conception of things.

**Mr. Hollett:** What is the general custom with regard to the end of the fiscal year? Is it not to bring down the budget?

**Mr. Smallwood:** Of course it is. I said the hon. gentleman is as very well aware of the reason as I am. The hon. gentleman may not agree it is a good reason, but he is aware of the reason.

**Mr. Hollett:** What I am maintaining, if I may be allowed, Mr. Speaker, is this: Whereas the House of Commons at Ottawa was prorogued, there was no house, there was really cabinet, and they could go to the Governor and get warrants. That is what this section is for. But, in this Province we had a Government, and we had a Parliament, and the house was merely adjourned to no set date, and the Hon. the Premier could have had it called together any date to get that \$13 million he got in August.

**Mr. Smallwood:** That is perfectly true. The latter part of the hon. gentleman's statement is true. There was a Parliament here

which could have been called together. But part of the statement is not accurate. I daresay he believes firmly it is true, but I assure him it is not accurate when he persists in saying that the only warrants that the Diefenbaker Government sought and got were in respect of the period when there was no Parliament. Now, having dealt with that: I do not expect this to be reported because it is too complicated. I dare say my hon. friend, the Leader of the Opposition, of the Tory Party in Newfoundland, and my hon. friend the Leader of the Opposition in Ottawa both know very well that the public will not try to follow this complicated thing, but by hearing it will come to the conclusion that there is something fishy about it. That is what they depend upon, both Leader of the Opposition.

**Mr. Hollett:** The lion and the lamb sitting down together. What about the Premier of Newfoundland?

**Mr. Smallwood:** The Premier of Newfoundland is not the Leader of the Opposition. Oh, no. If he ever is, he will have a lot of fun for himself.

**Mr. Hollett:** It is about time he was then.

**Mr. Smallwood:** Now, Mr. Speaker, I thought I read the report of the Royal Commission of Newfoundland's finances — and it is pretty thorough. I feel satisfied in these parts that deal directly with the question of the amount that Newfoundland needs to enable her to, "without resorting to taxes more burdensome" etc, to continue the public services at their levels and standards, but I had not studied with care other parts of the report. I apologize tonight to the Hon. Leader of the Opposition, humbly and sincerely, for a dirty suspicion that came into my mind this afternoon when he read from this report at page 8. The dirty suspicion was that he was not quoting it in full or that he was garbling the part that he read. I did not have a copy of it before me, and so I was not able to follow the words he read. I found those words so altogether incredible that I did not believe the Leader of the Opposition could, truthfully, be quoting them accurately. I apologize to him tonight because I have since obtained my own copy.

I turned the pages and read, indeed, the words that he quoted this afternoon. They are, of all the peculiar things in this report, the most peculiar. I will read them, and then I will ask the house, as I asked the Leader of the Opposition this afternoon, does the house think these statements are true? I will ask the people of Newfoundland if they think these statements are true.

Here are the statements, at page 7: Now they are speaking of ten years since Confederation. "There have been few really major improvements in the level and standard of services." That is the first sentence. I will read it again: "There have been few really major improvements in the level and standards of services." Now the next sentence is "The deficiencies of the past, the short-comings of the past have not been substantially overcome."

When the Hon. Leader of the Opposition read these two sentences this afternoon, as a matter of fact, yesterday, the hon. member for St. John's Centre quoted these words, and I wrote them down; indeed, while the Minister of Education was speaking I passed the pad over to him with the exact words I took down. But I took them down from the hon. member for St. John's Centre thinking they were his words. It never struck me for a moment that he was quoting from the Royal Commission's Report. Those were the words he quoted. Those words are fantastic, as I intend to show.

**Mr. Hollett:** That is why I quoted them, Mr. Speaker.

**Mr. Smallwood:** They are fantastic. Now the Hon. Leader of the Opposition would not be drawn by me. I asked him repeatedly this afternoon, again and again. "Do you agree with those words? Are those words true? Are they accurate? Do you agree with them?" But he would not be drawn. But later in his speech he was praising the Department of Education and he was praising the Department of Health and he was praising the Department of Welfare, and I tried to trap him into making an admission, and I succeeded. I did not have much trouble. I think he was willing to be trapped. I think he was happy to say what he said. He said it

knowing these four services are roads, health, education and welfare, these are the four great functions of the Government of any Province. With regard to three of them, he "took his hat off," he paid a great compliment, as he had done many times before although I have always noticed a tendency on their part to praise, not the Government for its magnificent education programme, but the Minister of Education, whoever he happened to be, and we have had three if not four. It always was: "What a magnificent job the Minister of Education is doing." But if it is disreputable, "What a rotten Government." "What a fine job the Minister of Health is doing for Newfoundland. What a splendid record he has." But, if the Government makes a mistake. "What a crowd of incompetents." "What a handsome job the Minister of Welfare is doing for the people of Newfoundland." But, "that awful incompetent Government." Well, that is three-quarters of the Government right off — these functions. Let me say this, Mr. Speaker. If anybody is no naive, so ill-informed, so ignorant of the ways of Government functions as to think that the Minister of Education goes down there into that Department of Education and becomes a sort of prince or duke with a principality of his own, sending a sort of envoy occasionally to the Government and informing them by a sort of diplomatic notice. "I have just increased the salaries of teachers by a million dollars. Please take note, Mr. Government: The Government sends back a note: Her Majesty's Government acknowledge receipt of the kind notice of the Prince of Education and is happy to hear the news that the Prince has increased the teachers' salaries." Or "Her Majesty's Government, in right of Newfoundland, acknowledge receipt of a note from the Prince of Health and is happy to note that he has started another hospital. That he has introduced another great hospital scheme to give free hospitalization for every child in Newfoundland."

No one really thinks, that, Sir. The Minister of Health is every bit as much responsible for the work of the Department of Highways as is the Minister of Highways every bit as much responsible for the work of the Department of Education as is the Minister of Education. We are, severally and collec-

tively, responsible for every action of the Government. It is Her Majesty's Government on behalf of Her Majesty that operates schools and hospitals, and builds them and gets others to build and operate them, and not the Minister of any Department, the Minister of this and the Minister of that. To say that the Government are incompetent or inefficient is to say that their education programme is not good. It is a failure if their highroads programme is not good. It is a failure, if the welfare programme is not good and is a failure. That the health policy is no good. It is a failure. That is what it means. That is spelling out the statement that the Government is inefficient. Are we inefficient in health? Are we inefficient in Education? In welfare? Are we inefficient in Municipal Affairs, in Highroads? These are the great functions of Government, they must be.

Now let me deal with this question. This remarkable question, this remarkable statement. "There have been few really major improvements in the levels of standards of services." That is to say, in the levels and standards of education services, in the level and standards of health services, in the level and standards of highroads, etc. So, there have been few really major improvements. Now, of course, I really don't know what they mean by "really major." These two words "really major," do they mean really monumental, really gigantic, really spectacular, sensational? What do they mean when they say there have been few really major improvements? Then when they say: "The deficiencies of the past" (that is the deficiencies that existed in these public services before Confederation) have not been substantially overcome." What do they mean by that? Let us take a look.

When the business of Confederation occurred, and the Government took office — the Provincial Government took office — we found that, in the previous ten years, the grand total sum of money that the Government (and during these previous ten years the Commission of Government were in office, they were the Government) spent on education a grand total of \$17 million, under all heads, current and capital account, for ten years. Salaries, for the building of new schools, for the furnishing of

schools, for enlargement and improving of schools, everything you can think of, under the heading of Education, they spent \$17 million, for the ten years before Confederation. We came into office, and in our first year we spent \$3.5 million and in our second year we spent \$4.5 million and in the fifth year \$5.5 million and in our sixth year we spent \$6.5 million, in our seventh year we spent \$6.7 million and in our eighth year we spent \$9 million. I have lost track. In the year 1955 we spent \$9 million on education, in that one year, and in the next year, 1956 we spent \$10 million for the year, and in 1957-58, that is last year, we spent \$13 million and this year \$15 million. We are spending this year on education almost as much as the Commission of Government spent in the ten years before we came in. In the ten years we have been in (these first ten years of Confederation) the grand total sum we have spent on education is \$75 million. No wonder my hon. friend from St. John's East blinks. That would make a man blink truly in honest and sincere amazement. \$75 million in ten years, as against \$17 million in the previous ten years. From \$17 million to \$75 millions. Is that to be noted as overcoming the deficiencies of the past?

In Health — Let me deal with another example. In the ten years before Confederation the grand total amount of money that was spent by the Government on Welfare, Public Welfare was \$12 million. The Newfoundland Government spent \$12 million on welfare, in the whole of the ten years. That is a little more than \$1 million a year. We now spend more than that every month. In the ten years since Confederation, in these ten years, we have spent \$90 millions, \$90 million in ten years. Mr. Speaker, let me make this clear. There are times when I do care what the political complexion of the Government at Ottawa is and there are times when I do not. But mark these words: whether the Government at Ottawa is Liberal or Tory or CCF or Social Credit, Communist or what have you, they are the Government of Canada; and anything that the Government of Canada gives to Newfoundland under any heading, whether they give it direct to the Government of Newfoundland or whether they give it to the people of Newfoundland in the form of Family Allowances and Old Age Pensions and Military Pensions and the like, and for roads

making access roads to natural resources, what have you — what pours into Newfoundland, no matter what the complexion of the Government that pours it in,— it is good for Newfoundland — agreed?

**J.D. Higgins** (St. John's East): Yes.

**Mr. Smallwood:** Agreed. It is coming to Newfoundland for one reason and for one reason only, the fact that we are a Province of Canada. No matter who sends it down here, every dollar that arrives in Newfoundland is a credit to be marked up in favour of Confederation, and I am a Confederate before I am a Liberal. I am a Confederate before I am a Tory. I am a Confederate before I am interested in politics at all. Speaking purely personally, my prime interest in life is to see Confederation succeed, and to help it to succeed, and I do not care what are the party labels of those who help it to succeed. While I am on that, may I say the thing that I hinted yesterday I was going to say, which would surprise some people in this house, and I suppose will be quoted all across Canada, I suppose there will be people who will short-sightedly chortle; I am glad that there was a change of Government at Ottawa. I was glad the minute it happened, and I have been glad ever since. I think that twenty-one years is too long for a Government to be in power. So I cut down our twenty-five years we intend to stay in to some fifteen, twelve or fifteen years is long enough.

**Mr. Hollett:** Another election, according to that.

**Mr. Smallwood:** Of course we will have another election, many "another" election. I think now (mind you I do not think it is a good thing they got such a majority. I do not think that is good. I don't think it is good for them and I don't think it is good for Canada. They should have a substantial majority that would leave them never for a moment in doubt that they were the Government) they have too big a majority, and there is a danger there that they will take too much for granted. These four Atlantic Provinces (they may, you know, short-sightedly get the feeling they can do without twelve seats in Nova Scotia and eight or ten in New Brunswick, between two and four in Prince



Edward Island and seven here, thirty-three) — they may get the feeling, having two hundred and eight seats tucked under their belts, their jackets, that the 32 or 33 down here in those four Atlantic Provinces, you can tuck these 32 seats in one corner of Ontario.

In Newfoundland I am a Liberal. I do not think there is any doubt about it. I do not think there is any doubt about it. Liberal policy, liberal conditions are what is good for Newfoundland, and generally speaking, across Canada it is the same story. But they were in too long, twenty-two years, too long. I am glad they are out. It will teach them a lesson.

**Mr. Hollett:** Are you in too long here?

**Mr. Smallwood:** Only just beginning to get our second breath. When I was at Bishop Field College I was supposed to be a good runner. I ran the ten mile steeplechase. My hon. friend the Minister of Highways used to be a great runner once, and I am sure he would agree the big thing is to get your second breath. There is a time before getting it when a runner almost feels like choking, but when he sticks at it and get his second breath he can go on and on. I do not want to discourage my friends opposite, but I love my second breath.

**Mr. Hollett:** "Wind" we call it.

**Mr. Smallwood:** All right. Wind. Hot Air. It will keep us here quite a few years to come, quite a few years to come.

**Mr. Hollett:** Hope springs eternal.

**Mr. Smallwood:** No, what is going to do it is this record. This is not invented. Now, in the ten years before we became a Province, the Commission of Government spent quite a bit of money on health. You will remember they built the new wing at the General Hospital and you will remember they built several cottage hospitals. Indeed, altogether in the ten years they spent \$25 million. \$25 millions — we have spent \$86 million in our ten years. We have built one-quarter of all the hospital accommodations there are in this Province tonight. The other three-quarters were built from 1811 to 1949.

Now, the fourth one, roads: In the ten years before Confederation the Commission of Government spent \$18 million on roads. We spent \$92 millions. Now add it up: In the ten years before Confederation the Commission of Government spent on Health, Welfare, Education and Roads \$77 million altogether. In our ten years we have spent on the same things \$343 million. At the end of that, the Royal Commission says there has been few "really major improvements in the levels and standards of services. The deficiencies of the past have not been substantially overcome." In these ten years we have built one-half, or a little more than one-half of all the miles of motorable roads in the Province tonight, in the ten years. In the previous years, from 1825 to 1949, one hundred and twenty-four years, Philip Francis Little here, the first portrait outside the bar —

**Mr. Hollett:** Any relation to Arthur D?

**Mr. Smallwood:** No. John Kent and Sir Hugh Hoyles, Sir Albert Thorburn, Sir James Winter, A.F. Goodridge, Sir Robert Bond, Sir James Winter, Lord Edward Morris, Sir Richards Squires, the Hon. Walter Monroe, the Hon. F.C. Alderdice, all these there in these portraits, fourteen Premiers and a number of Premiers whose pictures are not there because they were never elected but served as Premiers for six months or a year, (the Hon. W.R. Warren, Mr. Albert Hickman etc.) —fourteen Premiers in one hundred and twenty-four years together with the Commission of Governments for another fourteen years, one hundred thirty-eight years — they built 1,600 miles of motorable roads in Newfoundland.

**Mr. Hollett:** Built a railway too, don't forget.

**Mr. Smallwood:** They built a railway too and spent almost \$2 million to do it. In ten years we have built over sixteen hundred miles of road. Now, Sir, let me go a step further. Since the foundation of our history until this Spring of 1958, the grand total mileage of paved roads in this Province is one hundred (leave out the streets of St. John's, the streets of Corner Brook) — I am talking about highroads, in this very year we

are doubling that. But maybe they would not agree that to go from \$77 million in ten years to \$348 million in the very next ten years is not overcoming nor helping to overcome or marketly or substantially overcoming the deficiencies of the past — doubling the mileage of roads is not a substantial improvement. Is it not? Is it not?

The most rabid, the most savage, the most bigoted Tory that every trod shoe leather would admit, in common fairness, that to double in ten years the mileage of roads in Newfoundland is some progress. Only the Royal Commission could make that statement, nobody else could. How could anyone sign it? How are these signatures here? How do they come to be there, all of them? It must be someone who never stirred outside St. John's. In the very first year of Confederation we spent \$20 million on roads, health, welfare and education; \$20 million. This year we are spending \$61 million. Now look, Mr. Speaker, I do not want to insult the intelligence of the house or the people, by ignoring the fact that in these ten years the dollar that had a hundred cents in it ten years ago has not got a hundred cents in it today, ten years later. I know that money in inflated. \$343 million spent in these ten years would not get, dollar-for-dollar, the same value as \$343 million would have gotten in the previous ten years. Agreed? Agreed. But if you do not want the figures, if you do not want to have it in dollars then take it in things that you can feel and see; roads, for example; schools, for example; almost 300 new schools built and 1100 new schoolrooms, 1100 in these ten years. Nearly 1000 new hospital beds, nearly a 1,000, twenty per cent of all there are.

**Mr. Hollett:** Did the Royal Commission know that?

**Mr. Smallwood:** We gave them all the facts. We had a Royal Commission which sat for three years, headed by my hon. friend, the Minister without Portfolio, the senior member for Harbour Main (Mr. Lewis): He was Chairman. The late Gerald S. Doyle, one of the finest men Newfoundland ever produced, ever, a man of great patriotism, lover of Newfoundland, a rock of Newfoundland, level-headed, knowledgeable; and Senator Pratt, Senator C.C. Pratt, a keen, a level-headed businessman who

knows the trade and the affairs of Newfoundland just about as well as anyone does; Mr. Philip Grouchy, of Pouch Cove, who went into Grand Falls paper mill as an office boy sweeping the floors, and rose to be vice-president and general manager of that great enterprise, and one of the most brilliant-minded men we have in Newfoundland today; Mr. Albert Perlin, these men for three years, with one of them not quite that long. It was a great tragedy that Mr. Doyle died before he saw the end of the job and that Senator Pratt fell ill — but these were outstanding men, these were distinguished Newfoundlanders, and for three years they prepared our case, with a thoroughness, with a thoroughness I suppose never before realized in our Newfoundland history. Never, because not only did they do the work that they did themselves but they engaged some of Canada's leading economists, Carl Goldenberg, who is Canada's great trouble shooter, who goes from Province to Province settling great industrial disputes, financial disputes, and is appointed again and again and again on this, that and the other Royal Commission, worked for practically all the Province; Professor Kierstead and his wife, two brilliant economists, and then the older man, I don't recall his name, a brilliant economist.

These men worked for three years. Then what did we find? We found — I have never said it before but I am going to say it now, and don't care what happened. I will say what the result is. Why should I not say it? Seeing the result is almost a nonentity — In this very room here that plentitude and amplitude and variety of data, of information we were able to pour into this Royal Commission — almost a nonentity. I remember once we had a crisis. I was called in to sort of adjudicate. Some members on our side were for having a showdown on it, saying if they were not prepared to take all the evidence we had to give, we would all walk out on them. There were others who said, "No, take it a little easier." It was quite a crisis. What thanks did we get for it? \$8 million recommended. That is the thanks we got. Then, to be told after this that there was no really major improvements in the level and standards of services. We are spending \$16 million this year on education. We spent \$3 million a little over ten

years ago. We have 3,400 school teachers this year. We had 22 or 23 hundred ten years ago. We have 115,000 school boys and girls, young men and women at school this year; 115,000. We had 70,000 when we took over ten years ago. We have nearly 300 new schools, and 1100 new classrooms. No improvement? No really major improvements? The deficiencies of the past have not been substantially overcome? Salaries:— We have raised the salaries of our teachers in these ten years over 300%?

**Mr. Higgins:** We have the fifth amendment here.

**Mr. Hollett:** I would refuse to answer.

**Mr. Smallwood:** They were getting \$2 million a year, and are getting \$7 million this year. Is not that substantially reducing the deficiencies, overcoming the deficiencies of the past? I am sorry. It went from \$2 million, that is 400%.

**Mr. Hollett:** Not quite, because you have increased the number of teachers.

**Mr. Smallwood:** That is right. That is absolutely true, but it is still well over 300% more than I was getting ten years ago — I hope I am earning it. I believe the teachers think I am, they should. The nurses and the doctors, they at least should think so and the tens of thousands in Newfoundland who are benefitting from welfare, I believe they think so.

By the way, when my hon. friend in his Budget Speech, (the thing we are debating now) when he said in his Budget Speech — by the time that our next budget is presented to this house, sometime next Winter or Spring, Newfoundland will have been a Province of Canada for ten years — “Two facts of striking and dramatic significance can be stated about these ten years. The first of these facts is that, in the decade just ending, Newfoundland has seen more growth, more expansion, more development, more progress in her public services than ever experienced by her in any fifty years of her previous history.” And “indeed it would be the sober truth to say that Newfoundland has advanced further in the field of public services in these ten years than she had done in the previous one hundred years” — he was being conservative when he said that.

**Mr. Higgins:** He had not read the McNair Report or else he did not believe it.

**Mr. Smallwood:** Had not read the McNair Report? Perhaps it would have changed all that. We have had more roads built in this decade than in all the previous history of Newfoundland; we have had more expansion in our schools and education system generally in these past ten years than in all of our previous existence; the progress in our public health system has been truly spectacular. How spectacular? Has the house forgotten that, two years ago in this very Chamber, this Government introduced, and was the first Government of North America, of the fifty States, and the Government of the United States and the ten Provinces in Canada and the Federal Government in Canada, of all these we were the first Government in North America to introduce a programme to give free, completely free, hospitalization to every child up to the age of sixteen. Was that not spectacular? When he said that the progress in our public health system has been “truly spectacular” — is that exaggerated? We have seen more, Mr. Speaker, in public housing, in municipal development, in the provision of water and sewer systems and in a dozen other directions. This is a truly dramatic fact about this decade. Then he goes on to state something which is very sad, all the more sad when we read this report and this recommendation of \$8 million. There is, I regret to say, an even more dramatic fact that can be stated about our Province ten years after she became a part of Canada. This is the fact that, notwithstanding the phenomenal growth and improvement in our public services, Newfoundland still lags pathetically far behind the next least developed Province of our Nation, we are twenty-one times larger than Prince Edward Island, and our population is almost five times greater, but we have 300 miles of motorable road less than they have. We are more than twice the size of Nova Scotia, but Nova Scotia has five times as many miles of motorable road. So, Sir, I say, unless a man is bigoted, unless a man is intolerant, unless a man is unfair, he has got to admit that the record of these ten years is truly, truly impressive insofar as the development of our public services are concerned. It is no use for the Hon. Leader

of the Opposition to say, as he does sometimes, "Oh yes, I give you that, I will give you that much. No doubt you have done an awful lot, but you had more money to do it with." There is no use saying that. That is the big thing about Confederation. It is because of Confederation that we have more money. If we had not had Confederation, we could not have spent this \$343 million dollars in the last ten years.

**Mr. Hollett:** Nobody is fighting Confederation.

**Mr. Smallwood:** No. I know that. I am arguing the point that is made, that is often made. "Oh, yes, The Smallwood Government, no doubt, I suppose we might as well give them the credit, they have done this and that and the other thing, but, but look at all the money they had." Yes, look at all the money we had. Look at one of the great blessings of Confederation — because, remember this, I am in the happy position, and so are most of us although not all of us, there are the hon. members on this side of the house as there are on the other who were against Confederation for one reason or another — but, the great majority of us are happy to be the men who brought Confederation to Newfoundland, who lead the fight. You see, we are Confederates more than we are Liberals; and we are more intent on the success of Newfoundland, as a Province of Canada, than we are in the success of the Liberal Party. Indeed, there is a strong connection between the two. The more Confederation succeeds the more the Liberal Party will be successful, at least while these of us who fought hard; my friend — the Minister of Highways —

**Mr. Hollett:** That is all — just two of you?

**Mr. Smallwood:** No, more than two of us. I am sure the Minister of Highways thanks you as well for the compliment, but he would be the first to say we were not a little band of two; more than just Joe and Les, and Mac and George. There was Pat and there was Eric and there was Fred and there was Earl and there was Luke.

**Mr. Hollett:** To a point of order, Mr. Speaker.

**Mr. Smallwood:** All right, Mr. Speaker, you

asked for it. Luke was a Confederate. Why not? Did we not have judges on the bench active, ardent anti-Confederates, active, ardent and extremely energetic and active.

**Mr. Higgins:** I heard rumors there were judges on the bench active Confederates too. The admiration for some of them is not as great today.

**Mr. Smallwood:** We know, — we over here, so long as we Confederates are the majority in this party, we originals, we old Confederates, with a capital "O" and a capital "O", Old Confederates, the originals — as long as we originals are here the Liberal Party, the Liberal Party in Newfoundland, will be looked upon as the party that brought into Newfoundland these great blessings, which continue to grow. The more they grow the happier I am, no matter who brings them, no matter who sends them. I do not care what their complexion is; "John" or anyone at all.

**Mr. Higgins:** Even John?

**Mr. Smallwood:** The more they send, the better we like it, and if they only send enough this time.

**Mr. Higgins:** Amen!

**Mr. Smallwood:** I agree. Amen! We all say Amen. Now, Mr. Speaker, on this topic a man could go on and on and on and on. I have spoken over an hour. I did not really intend to speak so long as that. May I, before I close, pay a very sincere tribute to the Opposition on two things: (1) on their patriotism in this matter of Term 29. I suppose they are looking forward, if they want to be a little selfish about it, and could have a stroke. He could get cancer. He could be killed in an airplane. He may not be there forever. Who knows, about ten or fifteen years from now we might get four years." That is all Tory Governments ever get, by the way, four years. They never get a second term, but always go out after one term. That would not be long enough. This time in Ottawa, I admit, they went back with a big majority, with a big bang. In four years, I think, they would begin to think the people had made a mistake. I do not think it would be good for them to think the people made a

mistake. It is better for them to think the people were quite determined, after twenty-two years, to put the Liberals out and keep them out until they deflate a little, get rid of some of their cocksureness. That is one thing we have not got over here. We fight every inch of the way. We are not cocksure. We do not take anything for granted. We win every election. We work hard to win.

**Mr. Hollett:** You were cocksure in March.

**Mr. Smallwood:** If we had been cocksure we would have stayed home. The fact that we were not cocksure. Do not think we were, that all, of us did not see the "contagion" sweeping across the nation, and we knew that because of both infection and contagion it would take all our time and skill to hold the line for the Good Old Party. We held it. Now the storm has blown over, and three or four years from now, when there is a Provincial election, and we go on providing the people — with the help of Ottawa, with the help of whatever Government is up there, whoever they are — I don't care very much — whoever they are, with their help we will provide the people of Newfoundland, with what they want. Now, I say I pay tribute to them for their patriotism. I pay tribute to them also for their fine common-sense as public men, because they must know that, apart altogether from their patriotism, and they have been truly patriotic in this whole matter, they are sensible enough to know, too, that if they had played the slightest bit of politics in this it would have been disastrous for them. I believe everybody in Newfoundland, except these wilful few mentioned in the Budget Speech, (and it may well be that there are a few being partisans in Newfoundland, a few fanatical political heelers whose hatred of the present administration in this Province is greater than their love of Newfoundland), feels an inward flow of satisfaction.

**Mr. Hollett:** Who are they, by the way?

**Mr. Smallwood:** Well now, if the hon. gentleman presses me too hard, I will start mentioning names. I am strongly tempted. Prominent Tories.

**Mr. Hollett:** Why not yield to the temptation?

**Mr. Smallwood:** Very prominent Tories in Newfoundland, who have not been able to conceal their glee. One of them draws a cartoon. In the cartoon he forgets (this is not the scoundrel. This is another cartoonist) He forgets that (that man did not borrow any money from me. He is not the one that played me for a sucker) — but this one drew a cartoon on this matter of Term 29. If he had done what "Punch" did in the famous cartoon in 1955— (Hon. gentlemen will remember that; "The Bows and the Wows." If he had drawn the picture of a Newfoundland dog, you see a fine, dignified, big, fine, clean fat Newfoundland dog sitting on his hind legs with his paws facing Mr. Diefenbaker and begging, it would not have been very complimentary to Newfoundland, but at least it would have had this merits, to show that what he meant to convey was that Newfoundland was begging from Mr. Diefenbaker, or looking to him for a favour. Now, that is not what Newfoundland is doing. I do not think anyone opposite, nor anyone on this side, feels that Newfoundland has to beg and coax and plead with Mr. Diefenbaker for her rights, what we are entitled to. We do not have to beg. I say, if he had drawn a cartoon of a Newfoundland dog, a typical representation of Newfoundland, pleading with the Prime Minister of Canada, it would have at least been understandable, although we could have said it was in poor taste. But it was not a fine, big, handsome Newfoundland dog but a little crackey, a little crackey with a bow tie begging, this contemptible little crackey who was audacious enough, who was, verily, sacrilegious enough to go up and oppose Mr. Diefenbaker, the Messiah, Saint John; this little crackey who had the gall, the gall to oppose the great leader with a capital "L". Now look what he is reduced to. He has got to beg to "john" now.

Would the Hon. Leader of the Opposition regard that treatment of a subject which was represented in a joint resolution, passed unanimously by this house the other day, would be regard that treatment of the subject, both dealing with the same matter, the resolution passed in this house and the cartoon, which does he think treated the subject decently as patriotic Newfoundlanders and which treated the subject as a rabid partisan, a hater of the Smallwood Gov-

ernment? Now, if there is any doubt that, read the words that accompanied that particular cartoon; read the column after column after column and see the hatred sticking out, oozing out, the bitter, undying hatred of a defeated candidate. I can name them, one after the other, some who cannot even conceal their glee if they think this Government is embarrassed. But thank God, as the Minister of Finance says — he said that, insofar as these unworthy sons of Newfoundland (and some of them are not sons of Newfoundland) they are a contemptible minority of our country, because, Sir, you remember what the Minister of Finance said, after every hon. member now occupying a seat in this Chamber is dead —

**Mr. Higgins:** Horrible thought.

**Mr. Smallwood:** Even the youngest man here is dead, long after that, this award, when it is finally made, will keep coming to our Newfoundland Treasury. Not to "Joe." It won't come to "Joe" or "Ned" or "Greg". This will come to the people of Newfoundland, to the Treasury, the people's Treasury, and it will be spent each year to provide the children of all Newfoundlanders with the educational opportunities that should be the heritage of every Canadian child. This money, Sir, for decades to come, will go to provide roads for our people and medical services and electricity and water and sewer services and a host of other public services and amenities. If Newfoundland is to catch up, if Newfoundland is to catch up with the rest of Canada, if Newfoundlanders are not to be treated as second-class Canadians and are not to feel like second-class Canadians, then these services must not much longer continue to deserve the description we are forced to put upon them today, "inferior to the worst" in the rest of Canada. We will be glad to have them the "next worse". I told Mr. St. Laurent, when he was Prime Minister of the Government of Canada, and the Ministers of the Government of Canada and all the Canadian members that Newfoundland felt it was almost a sinful ambition, that it was sinful ambition to aspire to the levels and standards of public services that they had in Nova Scotia, and we felt almost that it was sinful to aspire that high. It was not, indeed

it was not, for that that we became Canadians. It was not for this that we abandoned our ancient and hon. independence within the British Commonwealth. It was not far for this that we merged our identity as a people and as a Colony into that of the Canadian Nation.  
(Applause)

**J.D. Higgins (St. John's East):** Mr. Speaker, I may say that if the house wishes to take a recess, I do not propose to delay the business of the house very long.

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

**Mr. Higgins:** Mr. Speaker, as I intimated before recess was taken, I do not propose to speak at any great length at this time, in fact, I did not propose to speak at all but having listened to the two major speeches of this afternoon and this evening I realize that, perhaps nobody better than I, that anything after that would be in the nature of an anti-climax. On the other hand there are one or two things I feel quite sincerely, and I propose to say them.

Insofar as the Budget was concerned, the speech read to us last week by the Hon. Minister of Finance was a somewhat unusual document, for people such as myself who do not have any great facility at figures, it was a welcome relief. I am not prepared, on the other hand, to say that this historical retrospect was actually the approach that I was particularly concerned with. But there have been, arising out of that budget speech, some very excellent addresses heard from both sides of the house. The feeling seems to be that we are looking backward over the past ten years. That is all right. I think it was the hon. the Minister of Provincial Affairs who said that the Minister of Finance could hardly be blamed for taking a glance backwards over his shoulder. Looking back over the past ten years, unless, as has been said, one were completely prejudiced, partisan, any fair-minded person will agree there have been some very worthwhile achievements. Now, I am not by any means an apologist for this particular administration. I have been able to conceal my admiration for some of its work without any big difficulty. On the other hand, com-

mon justice compels one to say, despite some pretty awful blunders that some pretty worthwhile achievements must stand forever in the record.

But what I am, Sir, more concerned with at this time is not so much the achievements and history of the past ten years — and we have had that history recounted most admirably particularly in the last speech that we heard, and I use the word "speech" advisedly. I think it was a major effort. It certainly was a very definite moral builder for the hon. gentleman on the other side of the house, whether their moral needed to be strengthened I do not know. But certainly it was that the Hon. the Premier's speech here tonight was a splendid exposition and justification, if one feels that word is needed, for the record of the administration of the past nine or ten years — But, Sir, while that is a very interesting study, and whilst the comments and the analysis of certain aspects of the McNair Report are of importance, I would have wished at times, remembering as I did the personnel of that Commission consisted of three, that at times the Hon. the Premier had now frowned so pointedly at the unhappy three sitting on this side of the house. We were not the members of that Commission, and we do not propose to offer any defence for the conclusions or recommendations of that Commission. That is a matter that will be decided later, and, I presume, in another place. But, what I am, Sir, particularly concerned with is not so much the recording which the Government has given of its stewardship, and the criticism which have been levelled at that record from this side of the house. If we did not criticise, we would, as the Hon. the Premier pointed out, have been doing less than our job. That is what we are paid for. It is the job we are sent here to do. It may be at times we become so infatuated with our job we become lost and it becomes a labour of love.

But, Sir, I prefer to direct the attention of the house to the situation as it presently exists in Newfoundland. I do not think that, looking at it with the most optimistic view point, it can be said that this has been or promises to be a good year for Newfoundland. The cod-fishery has not been successful. Indeed, I do not think one could be classed as being a pessimist when one says it

has been a comparative failure. The decline in the out-put of newsprint and pulpwood is definitely a major factor in our economy just now. Speaking of that, Sir, one of the changes of recent years in the logging industry has been the gradual mechanization of the working forces. Now, that is a situation that is as old as the industrial revolution. The advent of the power-saw was something which could not be staved-off, but had to come. But, Sir, the practical result of that has been that there were lesser people getting work in that industry. It did not mean that there was less wood cut, necessarily, but it did mean there were less men needed to cut it. And it did mean, Sir, more significantly, that what used to be a seasonal employment in the fall of the year, providing work for thousands of Newfoundlanders, now is almost closed off because, I am told by people who should know whereof they speak, that the cut that is required today to supply that industry can be completed by the end of September. That for us is really in the Summer, and it means that men who could, in the fall of the year, go to the lumberwoods and get employment are out of that employment. The other aspect of the mechanization, Sir is this: Many men do not even qualify in terms of man hours for the benefit of unemployment insurance. The same position obtains in the fisheries, where, Sir, (and I say it with genuine concern) we are headed into what I visualize, and I am sure that most of the members of this house will agree, as perhaps one of the worst Winters we have had since the "hungry thirties." We are really heading into it. We have a situation in this city of St. John's tonight, while we are sitting here, that we have at least 900 men out of employment.

Now I do not want anybody to misunderstand me. I am not making these statements in any sense of alleging that there is anything this Government can do about it. Last year, in a somewhat similar talk, I made the same point, that there are forces which are beyond the control of any Provincial Government, and indeed beyond the control, very largely of even the Federal Government. These are forces which are of economic origin. There is nothing, really, we can do about it. But, as I say, Sir, in this town of St. John's tonight, we have, I am

told, 900 longshoremen out of employment because of an industrial dispute. Now what the right or wrong of that is, Sir, I do not know, and I do not intend to enter into any discussion on that. But what I mean, Sir, is this: With these 900 people, 900 able-bodied men out of work, you have anywhere from 4 to 5 to 6 thousand people, their wives and families, directly affected by it. I believe the figure was mentioned here by my hon. friend the Leader of the Opposition this afternoon. In July of this year there were some 17,000 people on able-bodied relief. Now, Sir, at the end of July, to see that figure of people in receipt of able-bodied relief is positively frightening. What are we going to do I do not know. As I said, Sir, we have in the logging industry and to a certain extent in the fishery, mechanization moving in, and added to that, Sir, to aggregate the factor, we have this. Since 1949, the working force of Newfoundland has been increased by many thousands. In other words, we are today in Newfoundland with a greater working force than we had ten years ago, and with, at the present time, less openings in sessional employment for these men and these women.

Now, we have on this side of the house many times criticized certain steps taken by the Government in the way of industrial development, not so much the principle of it, but even in that, Sir, even in that course of industrial development, the Government has come across some good things. I think we can now say, without any hypocrisy, that it is a reasonable proposition that BRINCO is eventually going to be a source of great employment to the labour force, and of great revenue to the Treasury of Newfoundland. The Mortier Bay scheme is by no means idle, but still it will be more active sometime. The Labrador timber stands are going to be economically unuseable. The prospects for another mill are certainly more than visions. Unfortunately, Mr. Speaker, all these things are still in the future, how long in the future we do not know. We do know that they certainly do not provide the answer to the immediate problems that confront the people of this country, and that confront every man in this house, not only in the Government, but the Opposition also. It is a joint responsibility. It is our responsibility to assist this Government, if we can, and how we can.

These are the questions, Sir, which we have to face. It is all very well. We know that with increased earning power there must, of necessity, be a corresponding decrease in revenues that the Government can expect to get from certain taxes. If people are not able to buy as much goods as they did last year, it means that the yield from the Social Security Assessment and from the gasoline tax and from other revenue is going to be down. But there is one thing, Sir, that does stand out and it has been said on both sides of this house; that subsequent to our union with Canada our people have experienced a fuller level and higher level of public services, and they are not going to go back, they are not going to be prepared to accept any lessening nor any lowering of the standards of these services. Now that is a fact. It is no good for anybody to stand up today, on either side of this house, and say, "we were dragged screaming" into a better world and to better services. We did not want these. There is nobody in this Province of Newfoundland tonight who is prepared to accept anything less than has been given in the past few years, and the great majority want more.

**Mr. Smallwood:** Hear. Hear.

**Mr. Higgins:** Now that is perfectly normal. That is the reaction of the ordinary man and woman. He and she have seen that they have been able to get some of the better things of life, and they are not going to give them up. So that, Sir, we are faced with this position. That irrespective of, I would not say "WISHES", irrespective, shall we say, of the decisions that any Government might wish to take, no Government would be allowed to take any steps which would involve a lowering or slackening of the standards of public service, because any Government attempting to do so would last only as long as the people had a chance to vote them out of office. I say that not in any spirit of wishing to embarrass the present administration. It is a sober statement of fact, Sir. One partial solution, in the sense of a moderation of the present situation, undoubtedly lies in the award that has come to this Province from the Federal Government. Now, there has been a certain amount of disappointment and a certain amount of indignation voiced in this Chamber of the recommendation of



that Royal Commission. The Premier of this Province and the Leader of the Opposition both have spoken, and I think both have expressed very largely the views of every member of this house, on either side. I am prepared, indeed, I am not competent to analyse that report. I must confess that one or two statements that have been picked out today and quoted in this house, and repeated tonight do certainly appear to be, shall we say, rather at a variance with the record as we have always understood it. I must assume that there is some basis for the thinking which motivated the wording of that report. In a rather conservative fashion it is—

**Mr. Smallwood:** With a small "c".

**Mr. Higgins:** A very small "c". I do not know but that the word "archaic" might be at a better word. I do say this, Sir, one of the solutions to our present financial problem, and it is a problem, does lie in the award that we are going to get. I do say that I support, without any reservations, the statement made the other day by the Hon. Minister of Education, when he said that this is not a question at all of quantity. It is not a question of beneficence, it is purely a question of an award due us under a contract. It is a judgement satisfied. I agree with him. It has been said outside this house (I have myself sometimes, and I freely admit it, been guilty of saying it) it would be a grand thing to get this money, and get it in such a way as it could not be frittered away. That is not correct, Sir, and I am prepared to admit it. That approach is not the correct approach. The amount that is going to be awarded to this Province, when it is awarded, (how it is awarded I don't know, but when it is awarded) certainly it cannot be allowed to come to us with any strings. It is not a grant. It is not a bounty. It is nothing more nor less than an assessment of the amount that is due to us under the interpretation of our contract.

**Mr. Smallwood:** Hear. Hear.

**Mr. Higgins:** The analogy may not be too sound, but it is as simple as this. We are getting some things which come to us, and the source from which it comes has no control over it whatever. They cannot say you

must take this and spend "X" dollars for roads, for hospitals, for something else. As I see it, this money when it comes, for better or for worse, has to come to the Government (whatever Government is in power in Newfoundland) for general administration of the country and maintenance of the public services, which we have been discussing tonight.

I was rather interested and genuinely struck by the statement that has been made here a couple of times, that at this time we must "observe a truce" politically. I am prepared to subscribe to that. I do say that there may be a lot of uninformed people outside the house, undoubtedly there will be, who will come along, particularly to those of us on this side of the house and say: "Jim, what is the matter with you? You are cracked. You had these fellows over a barrel. Why did you not give them the dart? That will be said, I know it was said when we made our position clear the other day. But there does come a time, Mr. Speaker, when one must forget any immediate, temporary advantage, any possibility of, shall we say, embarrassing, either an administration or an individual who have sometimes "rubbed our noses" and made us like it. It is too serious a time, too important a time in the history of Newfoundland for anybody to indulge in the luxury of politics. This is a time, Sir, and I say, it sincerely, it is no time for political bickering, it is one time when, sinking party politics, we must honestly work together for the good of our common Country. That, Sir, we can and will promise to do, but only until such time as the shooting is over.

(APPLAUSE)

#### (COMMITTEE OF WAYS AND MEANS)

**Mr. Speaker:** Is the House ready for the question?

Motion is that I do now leave the Chair. The house will now go into a Committee of Ways and Means.

Mr. Clarke, Chairman of Committee of Ways and Means.

**Mr. Spencer:** Mr. Chairman, I move the Committee rise.

Motion carried.

Mr. Speaker resumed the Chair.

**Mr. Clarke:** Mr. Speaker, the Committee of Ways and Means considered the matters to them referred and directed me to report progress and ask leave to sit again.

On motion, report received. Committee given leave to sit again.

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

Mr. Clarke Chairman of Committee of Supply.

#### **Consolidated Fund Service.**

**Mr. Smallwood:** Mr. Chairman, the whole vote is statutory.

**Mr. Hollett:** In that case, Mr. Chairman, we had best come to 101-05. I wonder if the Minister would define the meaning of "Temporary Borrowing, \$3,000?" Is that just a token amount?

**Mr. Spencer:** It is a token amount, Mr. Chairman. The Hon. Leader of the Opposition is correct. There is no way of knowing what that amount may be, so we merely put in a token amount to cover temporary loans.

**Mr. Hollett:** Would the Minister tell the Committee what were temporary borrowings last year, the actual amount.

**Hon. E. S. Spencer (Minister of Finance):** I am advised that it is expected to cover the interest on temporary loans. We may have to get the specific information on that, if the hon. gentleman requires it.

**Mr. Hollett:** We have, Mr. Chairman, temporary borrowing since April of this year. That is in reply to a question. I was wondering what they were last year. Would the Minister tell us what were the temporary borrowings last year? How much did we have and who did we get them from, the Bank of Montreal or the Workmen's Compensation Board or where? I would like a statement as to what the temporary borrowings are.

**Mr. Spencer:** Mr. Chairman, the information that I received from the Comptroller is that as far as he is aware, it merely covers the interest on one or two temporary borrow-

ings. But in connection with borrowing from the Bank of Montreal, who are our regular bankers—it might well be a position which might be in connection with the interest on one or two temporary loans obtained from the Workmen's Compensation. As I said before, I have no specific information here to say exactly what they are.

**Mr. Hollett:** Surely, Mr. Chairman, we can get the information.

**Mr. Spencer:** Yes. I have already stated that if the hon. gentleman wants that we can get it for him.

**Mr. Hollett:** Well, let that stand over.

**Mr. Smallwood:** Is there any need to let it stand, if the Minister undertakes to bring the information?

**Mr. Hollett:** What about 101-10, were there any monies borrowed on that new loan of \$3 million, and if there were none, could the Minister state why?

**Mr. Spencer:** The position was, Mr. Chairman, that we felt we did not need it. If we got to the stage where we could borrow that \$3 million we could go to the market. On the other hand, on the advice of our financiers, in most cases, was that if we could get a loan without borrowing (going to the market for it) we could save money. That was the idea. We did not want to borrow, only what we found necessary.

**Mr. Hollett:** Is that Act still in being? Can the Government still borrow under that Act? The point I am trying to make, Mr. Chairman, is, if we are now bringing in a loan Bill for \$14 million, why do we not repeal this Act?

**Mr. Smallwood:** If the hon. member will allow me. The \$13.6 million that we hope to get from Ottawa, we may not get. If we do not we will have to borrow that amount. That is the \$13.6 million. The \$14 million loan will take care of that. Even with that, you see, we have a bond issue which falls due in December, which we intend to renew. That is \$1 million and something and we have a \$1 million deficit, so that the whole thing will run close to \$3 million.

When the \$1.2 million not entered in the estimates is entered it shows a deficit of \$2.7 million. That three will just cover it.

**Mr. Hollett:** In other words, the Government will have authority, after the new Loan Bill is passed, to borrow \$17 million.

**Mr. Smallwood:** Yes, \$3 million in the ordinary course, and if we don't get the \$13.6 million from Ottawa, and are spending it anyhow, we have to get it somewhere else.  
101—Public Debt Interest—carried.

**Mr. Smallwood:** They are all statutory, we cannot vote on them. We can note them, look at them, talk about them, but we cannot vote on them. They are statutory and already voted on.

#### LEGISLATIVE:

201 Sessional—carried.

202 Miscellaneous—carried.

**Mr. Hollett:** Statutory Salaries 104. Mr. Chairman, that one was omitted. That is a point I would like to raise. I want to know why the two salaries on this page have gone from \$10,000 up to \$14,000. In other words, in the last two years 40%. That also applies, as a matter of fact, if I may say so now, to the Deputy Minister of Justice and the Deputy Minister of Health. These four salaries from \$11,000 I thought it was, up to \$14,000, but have gone from \$10,000 to \$14,000 in two years; whereas all the other civil servants in Newfoundland got 10%. Would the Minister tell me why the special increases under these heads?

**Mr. Smallwood:** Perhaps, as it is overall policy, perhaps as it is overall Government policy, my colleague, the Minister, might permit me. The position is this: that we have about fifteen or sixteen or seventeen Deputy Ministers. Four or five of them are in class somewhat different from the class in which all the others are. Two or three of them are in a straight professional class. They are lawyers or they are doctors. That is, they are serving as Deputy Ministers as lawyers and as Deputy Minister of Health, for example. Because they are doctors, they are professional men, serving as Deputy Ministers.

Now, fortunately or unfortunately, the cost of getting medical doctors, everywhere in the world, has gone up, and has continued to go up, and will probably continue to go up and up and up. You cannot get doctors any more to work for Governments except at very high salaries. We were confronted, in the Department of Health, by an extremely serious situation. On the one hand, we had introduced our Children's Hospital, Plan, and the great National Health Scheme was about to be applied to Newfoundland, and the whole success of these two great plans in Newfoundland depends, and must depend, upon our being able to get enough medical doctors. Getting these medical doctors has become extremely difficult, because not only is there the shortage of doctors that there has been for years, but the competition for those that can be found has become very great, due to the National Health Programme. Because every Province signing up for the National Health Programme is in exactly the same position that we are. They too are trying to get doctors. So you have a scarcity on the market and a very intense demand for a scarce article and the result, as usually happens with the law of supply and demand, the result now is that doctors are naming their own salaries. Like it or not, they name the salaries. We either take them or do without them. If you do without them you abandon your health programme.

That is particularly true of certain types of doctors. So that here we have a Department of Health with a Deputy Minister who is a doctor, and is said to be the ablest medical administrator in all Canada.—is said to be—I do not know as to whether he is or not, but he is certainly widely hailed as much. He is seeking doctors. Now the Minister, who is himself a doctor, has gone over to England and Ireland (and so had the Deputy) trying to get doctors to come here. But so also are they from Nova Scotia and New Brunswick and Quebec, Ontario, Manitoba, Saskatchewan, Alberta, British Columbia. We have to compete, and the price of doctors is going up, sky high, and continues to go sky high—With a Deputy Minister at least as able as the man he is engaging, we have to up his salary too. We had to up the salary of the Deputy Attorney General, being a lawyer, serving as a Deputy Minister profes-

sionally. Now understand, you can be a doctor or a lawyer or perhaps an engineer and you can serve in these capacities. I mean an engineer and you can serve in these capacities. I mean an engineer might become Deputy Minister of Provincial Affairs. But he is not then acting as a Deputy Minister in his professional capacity of an engineer. But if he becomes Deputy Minister he, and he does act as an engineer then he is entitled to his professional rate of pay. Similarly the lawyer is entitled to his professional rate of pay.

Once you put up the salaries of the lawyers and the doctors as Deputy Ministers, are you then going to have the two top ranking civil servants of all, the Auditor General and the Comptroller of the Treasury exceeded in salary by other Deputy Ministers? So, we have either to pay doctors very high salaries or do without them and scrap the health programme, and we choose to get the doctors and pay them the salaries. But that leads inexorably, inescapably to the situation where we have to raise the salary of the Deputy Minister of Health or lose him. Once you raise his salary you have to do so for the Deputy Attorney General, and once you have these two you have no choice at all but to raise the two top civil servants of all Newfoundland. The Auditor General and the Comptroller of the Treasury, or if you like, the Comptroller of the Treasury and the Auditor General. These were once held by one man. It used to be the Comptroller and Auditor General, but now two men fulfil these functions, and they are in a sense co-equal, except that one of them has two positions, as he is also Deputy Minister of Finance. You would not let them be out-ranked as to pay by other established civil servants. So that we have had to raise the four, all coming from the fact that doctors have become "rare birds" who command high prices.

**Mr. Hollett:** Mr. Chairman, the explanation was given in a multitude of words, and, therefore, I am loath to accept that as the real explanation. I have to accept it, of course, if the Premier states it is so; but, as I say, I am loath to accept it. In other words, we have to blame the whole situation in regard to that on the Deputy Minister of Health and the scarcity of doctors.

**Mr. Smallwood:** I think we are paying some doctors more than that. We are paying cottage hospital doctors up to \$20,000.

**Mr. Hollett:** What about the Deputy Minister of Highways, being an engineer? Should he not be up to the same amount?

**Hon. G. J. Power (Minister of Highways):** I happen to know he is going to look for it.

**Mr. Hollett:** Sure, Why not? He would be entitled to it as well as the others.

**Mr. Smallwood:** If my hon. friend would allow me. The Deputy Minister of Highways is not in that Department as an engineer.

**Mr. Hollett:** He is an engineer.

**Mr. Smallwood:** If he becomes chief engineer of the Department.

**Mr. Power:** He is that.

**Mr. Smallwood:** Is he? May be he will have to be—I am sorry I spoke.

**Mr. Hollett:** I just mentioned the Department of Highways. There are other departments as well. Mind you, when you take two or three or four and put them up and leave all the rest out in the cold—think of all the rest of the civil service. In the offices in the last year they got an increase of 10%. Whereas some 40% is given. I have no doubt these men are worth the money they are going to be paid, but we have to look at it from the point of view of other poor devils in the civil service who have their work to do, living to earn, family to support, and are entitled to that amount.

### EXECUTIVE COUNCIL III:

301 Lieutenant Governor's Establishment.  
On motion, carried.

**Mr. Hollett:** There is something I have left out. Does the Hansard come under this at all?

**Mr. Smallwood:** It comes under Legislative.

**Mr. Hollett:** Mr. Chairman, I want to speak

on that, if I may. I see in 201 there are two Hansard reporters, incidentally getting a very small salary. But I want to know why we have got Hansard reporters. Would somebody on the Government side please tell me why we have the Hansard reporters, or why there is such a vote? We do not seem to get any Hansards?

**Mr. Smallwood:** We are the only Province in Canada that has, for a great many years, published any of its Hansards. Now I think most of the Provinces keep a Hansard, that is to say, they have some system of shorthand reporters but mostly recording machines taking down the speeches, but not one of them except Newfoundland for a great many years, say twenty years or more, has published the speeches. We are the only Province that does, even the great Province of Ontario.

**Mr. Hollett:** We do not either.

**Mr. Smallwood:** We do. We lag a little in the release of them but that is being remedied.

**Mr. Hollett:** Did I understand from the Hon. the Premier this afternoon that certain Hansards would be presented before the house adjourns?

**Mr. Smallwood:** I said in the next week or ten days.

**Mr. Hollett:** Why wait?

**Mr. Smallwood:** My hon. friend ought to be delighted that he will get enough material between the next week or ten days and the session next winter, to keep him going for the entire session next year, and should not try to get it now. He should save it for next session.

**Mr. Hollett:** What is the delay?

**Mr. Smallwood:** I don't know what is the delay, but my hon. friend ought to be happy he is getting now, in the next two weeks or so—

**Mr. Hollett:** I am stating here now, Mr. Chairman, the delay is because of some other reason. There is something there in these Hansards the Government does not

want the Opposition to have a look at, and they have been keeping these printed Hansards, paid for, I may say, and they are parcelled up for the last two or three years and we cannot get them. Now I want an explanation as to why we cannot get them. Why within the next ten days? Why not get them now? We are paying for them.

**Mr. Smallwood:** I will look into it and see what I can find out.

**Mr. Hollett:** Have we two Hansard reporters?

**Mr. Smallwood:** No, I think there is only one. It may be for typing back the transcript. In actual fact, I think there is only one Hansard reporter.

**Mr. Hollett:** For the size of the salary there should be only one.

**Mr. Higgins:** I think the salary is very small for even one. Of course I cannot recommend an increase, but the Government could.

**Mr. Smallwood:** Actually we have had a chance to do it, but the Internal Economy Commission are to meet as soon as they can find the time and will probably increase some of the salaries of some at least of the staff. There is some suggestion of that. Now I cannot promise, and I cannot say it is going to be done. I can only say that Mr. Speaker has been suggesting that there be a meeting of the Internal Economy Commission which is the governing body of the economy of this house.

Item 302—Premier's Office—carried.

Item 303—Executive Council Office—carried.

Item 304—Electoral Office.

**Mr. Hollett:** Mr. Chairman, may I ask what the extra assistance was last year in 304?

**Mr. Smallwood:** I daresay it was in connection with holding of municipal elections.

**Mr. Hollett:** What was the actual amount? It is down there as sixty dollars. I know it was more than that.

**Mr. Spencer:** The actual amount last year

was in the vicinity of two hundred and sixty dollars.

On motion, Item 304 carried.

#### DEPARTMENT OF FINANCE IV:

401—Minister's Office—carried.

402—General Office—carried.

403—Auditor General's Department—carried.

404—Pensions and Gratuities.

**Mr. Smallwood:** We could take that by individual notes.

**Mr. Hollett:** Mr. Chairman, if I could go back to 301—Automobile \$600.

**Mr. Smallwood:** For gasoline. The practise had its beginning with Sir Leonard Outerbridge. In the old days, the Governor of Newfoundland, in addition to his salary, had certain concessions, chiefly the right to import into Newfoundland for his own use and the use of his establishment anything he wanted, free from duty. Now, since Confederation, that does not apply, because the Government of Newfoundland have no customs duties but the Government of Canada have, and they do not allow any exemptions for that purpose. The Lieutenant-Governor now gets no personal exemptions except that the government provides him with a car, and I think, twelve barrels of gasoline a year free. Of course he is provided with a very large and handsome car that consumes rather more gasoline than the smaller car. That is the position. He does not get the gasoline duty free. To start with, it is not dutiable. It is Canadian gasoline.

**Mr. Hollett:** He does not pay for it at all?

**Mr. Smallwood:** No, the Government of Newfoundland, this Legislature, now just a few months ago, voted the Governor the cost of twelve casks of gasoline.

**Mr. Higgins:** Constabulary Pensions—Mr. Chairman, may I ask the Attorney-General again what is the position on all these pensions? Last year, and indeed every year for the past several years, we have been told, some of these people who required it, were

going to be—some of the non-commissioned—

**Hon. L. R. Curtis (Attorney General):** I understand, Mr. Chairman, they are all in the hands of the Pensions Commission, which has been appointed recently.

On motion, Item 404—carried.

405—Taxation Division—carried.

406—Miscellaneous.

**Mr. Hollett:** Could the Minister explain why the amount is below last year?

**Mr. Spencer:** Just because there is no amount for brokers because we have not raised any loans. Now, if we go into the market and raise a loan, this thing will have to come up. The hope is we won't have to raise too much.

**Mr. Higgins:** This item, Mr. Chairman, 406-12, Property Loss Reserve Fund, is that something new, \$25,000.

**Mr. Spencer:** That is required for payment into the fund constituted under Chapter 28 of the Revised Statutes. The provision made there was \$140,000. The \$300 remaining in the fund now is not regarded as adequate.

**Mr. Higgins:** There was nothing paid in 1956, 1957-58, apparently.

**Mr. Spencer:** It is necessary to increase that fund, as it is not considered sufficient.

**Mr. Hollett:** Mr. Chairman, Item 406-19, Financial Commission of Inquiry, a token vote of \$100. It thought that would be cleaned up last year. How much was paid, actually, last year? From my understanding, that Commission of Enquiry cost the Government \$257,000, and they finished their work sometime last year. Why now the token vote for \$100?

**Mr. Smallwood:** Well, the reason is that you must have a token in case you need the vote.

**Mr. Hollett:** Why do you want it? I thought it was cleaned up last year. When was the actual amount spent last year on it?

**Mr. Spencer:** \$66,900 in 1956-57, and \$5,000 in 1957-58.

**Mr. Smallwood:** The vote is left only in case there is an expense this year.

**Mr. Higgins:** May I ask, Mr. Chairman, the Pensions Commission last year, what was the actual amount?

**Mr. Smallwood:** We did not appoint it then. It was only appointed recently. It was not used.

**Mr. Hollett:** Nothing was paid from that \$10,000.

**Mr. Smallwood:** That is right.

**Mr. Hollett:** How is the \$25,000 made up? I understand only two people are paid.

**Mr. Smallwood:** Well, they have travelled across Canada looking at systems they have in other Provinces, examining them at first hand. They have a permanent stenographer and staff.

**Mr. Hollett:** Mr. Chairman, while on that I would like to raise this point in connection with some of the pensions of old post masters and post mistresses, and some old school teachers. I feel sure the Government has had certain requests on that. I do hope the Government will see the just claims, in my opinion, which are laid before that Commission. Some of the old teachers are getting pensions that would starve a dog, not to talk about a teacher. I am quite sure, if we are trying to raise the standards of our public services, that it one thing which emphasis should be laid on.

**Mr. Smallwood:** That is why we have a Royal Commission looking into every one of these cases.

**Mr. Hollett:** Be careful they do not all die of starvation before the Commission comes to any conclusions.

**Mr. Smallwood:** The Auditor-General is a pretty able man and a hard worker, and he is the head of the Commission. The other two, Mr. Clarke, the former manager of an insurance Company, and Mr. O'Grady who for years was manager of the Unemployment Insurance Office, have lots of experience of that type. Between them they

should get a lot of work done, and should not take too long. On the other hand the Auditor General cannot just drop everything—

**Mr. Higgins:** Who is the secretary of that Commission?

**Mr. Smallwood:** Mr. John Crosbie.

On motion, Item 406 carried.

**Mr. Hollett:** Mr. Chairman, before you go on I would like to know about 406-21, Budgetary Procedures \$2,500 this year.

**Mr. Smallwood:** That is Mr. Harvey Perry. We provide these amounts but do not actually pay him. We have not paid him very much. He only charges us when he comes down here which is not very often.

**Mr. Hollett:** What do we want him for? Mr. Perry might be a fine man and entitled to all sorts of payments but if he never comes down here why vote it?

**Mr. Smallwood:** He has not received a dollar at all yet.

**Mr. Hollett:** Is there any need of this item in there?

**Mr. Smallwood:** Oh yes. We are liable to pay him when he puts in a bill.

**Mr. Hollett:** Surely, our Minister of Finance in his Department, is well able to take care of Budgetary Procedures now, barring the odd omission and entering things and that sort of thing.

**Mr. Smallwood:** It is probably to prevent that ever happening again we need a little check on the procedures.

**Mr. Hollett:** That is very good. That is a good point, well taken.

**Mr. Smallwood:** One thing about that money, the money itself is all right. It is in the bank, but was not entered into these printed estimates here.

**Mr. Hollett:** Very few of us have \$1.2 million in the bank and do not know it.

**Mr. Smallwood:** It did not go astray or anything, except for one night when the Minister had the two checks at home. In the custody of the Minister of Finance, I suppose it was safe.

**Mr. Hollett:** Under 407-02 what is the other \$15,000?

**Mr. Spencer:** General contingencies.

**Mr. Hollett:** Anything used last year?

**Mr. Smallwood:** Yes, used every year. If we have a dinner for some distinguished visitor or something, we take it out of the fund.

**Mr. Higgins:** Have not the Department of Provincial Affairs got a special vote for entertainment?

**Mr. Smallwood:** Yes, \$200. That would not pay for one dinner. For instance, we gave a dinner the other night to some large group, and that would eat up that.

**Mr. Higgins:** Workmen's Compensation. I know the crowd you mean, and Liberals, they were hungry too.

**Mr. Hollett:** What is the historic event which is costing \$99,000?

**Mr. Smallwood:** It might be in connection with the celebrations of one hundred years of Responsible Government.

**Mr. Hollett:** Could the Minister tell us what the \$99,000 was spent for? How did you celebrate it to spend \$99,000?

**Mr. Smallwood:** We built a handsome fountain out there.

**Mr. Hollett:** You do not mean to tell me the payment for the monument came out of that.

**Mr. Smallwood:** Probably.

**Mr. Hollett:** There is another vote for that? If the Minister will tell me.

**Mr. Smallwood:** I am sure the Minister will bring the information in when he gathers it

together. If he brought all this in with him now he would have a truck load of stuff.

**Mr. Hollett:** I think, Mr. Chairman, you will agree, that is what he is here for.

**Mr. Spencer:** You probably had the facts last year. That was for last year.

**Mr. Hollett:** Could the Minister tell us how much was spent last year on the observance of historical events?

**Mr. Smallwood:** We do not know that we spent anything. We do not think we did. On motion, Item 409—Central Accounting and Pay Division—carried. On motion, Item 410—Civil Service Commission—carried.

**Mr. Hollett:** Mr. Chairman, I wonder if the Minister could tell us if all appointments to the Civil Service, have they to undergo—are all the civil servants recommended to the Government by them?

**Mr. Smallwood:** Not all.

**Mr. Hollett:** Why not all.

**Mr. Smallwood:** Because certain classifications of civil servants are exempt from the ambit of the Civil Service Board. Doctors, for example are not included, nurses, professional people.

**Mr. Hollett:** They are not civil servants.

**Mr. Smallwood:** Yes they are. They may not be established and pensionable, but some are.

On motion, Department of Finance carried. Motion, that the Committee rise and report having passed Headings I, II, III, and IV, carried.

Mr. Speaker resumed the Chair.

**Mr. Clarke:** Mr. Speaker, the Committee of the Whole have agreed to certain Resolutions, considered the matters to them referred and passed items of Current Account under I, II, III, and IV.

On motion, report receive, Committee ordered sit again on tomorrow.



**Mr. Smallwood:** Mr. Speaker, I move the remaining Orders of the Day do stand deferred, and the House at its rising do adjourn until tomorrow Monday at eleven o'clock, A.M.

September 8, 1958

(Monday, Morning Session)

The house met at eleven o'clock A.M.

**Hon. J. R. Smallwood (Premier):** Mr. Speaker, I did not know you called order.

**Mr. Speaker:** Actually, I do not believe I did.

**Mr. Smallwood:** Mr. Speaker, I have not as yet received a reply from the message I sent to the Prime Minister conveying the joint resolution adopted by this house, after being moved by me and seconded by the Leader of the Opposition. In the absence of a reply from the Prime Minister, I am forced to conclude that the press reports of the proceedings of the House of Commons are accurate. According to these reports the Prime Minister has rejected the unanimous request of this house. This is a deep disappointment to Newfoundland, and it is difficult to understand. Considerable sums of money are due the Provincial Treasury in respect of two separate years, last year and this year. It was embarrassing not to receive the money last year, and it is now not possible to receive any in the present year before the coming winter. By that time, almost two years will have passed, and the present construction season long ended. The point blank refusal of the Prime Minister to pay us anything on account of what is due us for these two years is disturbing, I am sure, to every member of this house and to the people of Newfoundland in general. We can now only look forward to January or February and continue to hope that the Canadian Government will be pleased, not only to pay us what has been recommended for last year and this year, but the larger amount which all Newfoundlanders believe they should receive.

**Presenting Petitions:**

**Hon. C. H. Ballam (Minister of Labour):**

Mr. Speaker, I beg leave to present a petition from the residents of Lark Harbour in the Bay of Islands as follows:

"We the undersigned, over the age of twenty-one years and residents in this fishing settlement, once again humbly petition Her Majesty's Government for some kind of wood-breast work measuring approximately 1400 feet for the protection of our fishing property and our homes. During the past few years thousands of tons of earth have been washed away, and unless immediate action is taken to alleviate the situation we fear that eventually our fishing stores, our homes and roads will be washed away by the high tides."

Mr. Speaker, this petition is signed by over 200 residents of this important fishing settlement in the outskirts of Bay of Islands; I know the section. I know what is happening there. As in most fishing centres, the homes are built along the water front. For years the sea has been washing away that part which remains outside the road, and also outside their homes and their fishing stores. I know the situation very well and I can appreciate their petitioning this government for some immediate action. There are about 7 or 8 hundred people resident in Lark Harbour and in the nearby settlement of Little Port. They are of the finest stock, the best people that you can find anywhere in the province or outside. They are good fishermen and good, sound, solid residents, and I am sure they would not present a petition here that would be frivolous. I go along with them and support their petition, Mr. Speaker, and ask that it be accepted by this house and presented to the Department to which it relates.

On motion, petition received, for referral to the Department to which it relates.

**Hon. F. W. Rowe (Minister of Education):** Mr. Speaker, I have the honour to present a petition from the electors of Westport in White Bay South, the district which I represent here in this house. This petition prays that consideration will be given at an early date to the construction of a road which will link Westport and adjoining communities with the trunk lines which now runs from Baie Verte to the Trans Canada Highway, in other words, linking Westport and its neighbouring communities with the Trans Canada Highway. This petition is

signed by 191 electors of Westport and adjoining areas.

I do not think, Mr. Speaker, I need say very much in support of it because the need for a road connecting up this important fishing and logging community with the Trans Canada is, as anybody knows who has ever visited the area or has looked at a map, obvious. I may say, Mr. Speaker, that this petition, along with two others which I hope to have the opportunity of presenting this morning, was sent to me in the early Spring, in the expectation that the house would be opening within a few weeks. Since receiving that petition I am glad to report to the house that extensive surveys have been conducted in that area by the Department of Highways, with the idea of mapping out the route which the proposed road will follow. It is my very sincere hope that even if its construction does not get under way this Fall, at least it will be possible to start early in the Spring of next year. I request that this petition be received and that it be referred to the Department to which it relates.

On motion, petition received for referral to the Department to which it relates.

**Mr. Rowe:** Mr. Speaker, I beg leave to present to this house a petition from the residents of Bear Cove in White Bay, another important fishing settlement on the same side of White Bay as is Westport. The prayer of this petition is that at the earliest possible date a road be constructed to link up Bear Cove either with the proposed road to Westport or directly with the Trans Canada Highway.

Again, I do not need to elaborate on this petition, Mr. Speaker. The residents of Bear Cove have been long noted for their efficiency in the fishing industry. For its size, it is possibly one of the most important fishing communities in Newfoundland, and the people there have long had a reputation of being both industrious and independent. I am glad to report also, in this case, Sir, since this petition was received in April, the matter of conducting a survey has been brought to the attention of the Department of Highways, and I have been informed by that Department that since their engineers went in and visited the area they have concluded that survey ought to wait until the Westport Road has been completed, which would facilitate the conduct of the survey in

a very precipitous terrain which lies between Bear Cove and Westport. I ask leave to table this petition, and request that it be received and referred to the Department to which it relates.

**Hon. M. M. Hollett** (Leader of the Opposition): In rising to support that petition, Mr. Speaker, may I just say a word which may possibly bring out something from the government side of the house. I think this might cover this particular area, with regard to the offer which has been made to all Provincial Governments and in particular the Government of Newfoundland.

**Mr. Speaker:** I suggest on the Orders of the Day that might be appropriate. That is general.

**Mr. Hollett:** I was speaking in support of the petition, Mr. Speaker.

**Mr. Speaker:** I think that is in order, but I think the other is more of a general question.

On motion, petition received for referral to the Department to which it relates.

**Mr. Rowe:** Mr. Speaker, I beg leave to bring to the attention of this house a third petition this morning. This one is a petition which is signed by all the residents of two of the most important communities on the whole Northeast Coast, namely, Pacquet and Woodstock, these two communities which are almost entirely fishing communities and which, historically, have been amongst the most important. I think Pacquet has been a fishing community long before the Newfoundland Government or the people had any right to that particular area, when it was under the jurisdiction of the French.

The distance from Pacquet to Woodstock is just a little over one mile. But that one mile is a most difficult stretch of terrain. It is precipitous, it is practically all cliff, and if a road were built there it would involve very considerable blasting. Consequently, the prayer of this petition is that the possibility of constructing a snow-mobile trail from Pacquet to Woodstock be gone into. That would be a considerably longer distance, six, seven or possibly eight miles, but would have the merit of avoiding all the mountains and hills which lie in that short distance

between Pacquet and Woodstock. On the other hand I have had, since receiving this petition in May, considerable discussion with the engineers of the Department of Highways on this matter, and they have agreed to investigate the two possibilities, i.e., the possibility of constructing a road, "as the crow flies," between Pacquet and Woodstock, which would only be a mile and a half, but which is over very difficult terrain, and also the second choice of constructing a snow-mobile trail, which would avoid all these mountains and hills.

Perhaps I should report to the house that it is the feeling of some of the engineers with whom I discussed the matter, that with modern methods of road construction, it may well be cheaper to blast the road over the hills between Woodstock and Pacquet, in which case the residents of these two communities would have a much short distance to travel, and once a road were constructed, it would be practically indestructible. I might say when the road envisaged from Baie Verte to LaScie is constructed, that that road will pass within three or four miles of Woodstock, and it is our hope that a short branch will be brought out to Woodstock, which will then have the communities, not only with the rest of the Baie Verte Peninsula, and not only enable the fishermen of these two communities to have communication with and easy access with the great fishery plant at LaScie, but also with the industrial area of Baie Verte, which, as the house knows, is an important logging centre, and which we confidently expect will become an important mining centre as well. I ask leave, Sir, to table this petition, and I request that it be referred to the department to which it relates.

On motion, petition received for referral to the Department to which it relates.

**Mr. I. Mercer (Fogo):** Mr. Speaker, I ask leave to table a petition on behalf of the people of Island Harbour on Fogo Island. The prayer of this petition is that a road be constructed from Island Harbour through Deep Bay and joining the highway across Fogo Island between Seldom and the town of Fogo proper. It is a road which would be around about seven to eight miles. Apparently it is considered a very important road, not only by the people of these two settle-

ments but other people as well, because, apart from the petition which has been signed by all the people of Deep Bay and Island Harbour, it is supported by the Royal Orange Lodge of Fogo and it is supported by the Star of the Sea Association of Fogo, and it is supported by the Society of the United Fishermen of Fogo. I ask leave, Sir, to lay the petition on the table of the house and to have it referred to the department to which it relates. I may say that the petition was dated in March but could not be brought in until now. But I recently have been informed by the Minister of Highways that as soon as we can get the necessary road construction equipment on Fogo Island he hopes to commence construction of the road.

On motion, petition received for referral to the Department to which it relates.

**Mr. Mercer:** I also ask leave, Mr. Speaker, to present a second petition. This petition is addressed to the Hon. House of Assembly, and is from the people of Tiling Harbour, Fogo Island. It is signed, I believe, by all the people there. It is headed by the Rev. Father Pumphrey. The prayer of the petition is for the development of electricity not only at Tiling Cove but on Fogo Island. This petition is not only signed by the people of Tiling Harbour but is sponsored by the people from other settlements of Fogo Island. I ask leave, Sir, to lay this petition on the table of the house for referral to the Department to which it relates.

On motion, petition received for referral to the Department to which it relates.

**Mr. G. Clarke (Carbonear):** Mr. Speaker, I beg leave to present a petition signed by nearly 400 residents of the Community of Bay de Verde in the Carbonear-Bay de Verte District. The prayer of the petition is that a road be constructed to replace the present hazardous and dangerous road leading into the Community of Bay de Verde. Now, Sir, surveys have been made of this region, and it is known that it is possible to build a road, not level, but a road which has a much more reasonable grade than the one existing at the present time. Anybody who has driven into Bay de Verde, I think, will agree that the road is extremely hazardous at any time in the year. It is a miracle that there had been no loss of life

when taking vehicles, particularly loaded vehicles over this road, which I venture to say is the most hazardous in Newfoundland. Bay de Verde is one of, if not the, largest inshore fishing communities from the point of progress that we have in Newfoundland. All residents are depending almost solely upon the fishing industry. Therefore, I think that the building of a mile of road to replace the present hazardous and dangerous road to that community, so that the fishermen and other producers can haul their products out of the community and those products going in can be brought there without risk to life is a small request to be made to this house. For that reason, Sir, I most heartily endorse the prayer of the petition and, furthermore, I would say that, because this year is one of the worst years in the field of fishery production in Bay de Verde for a considerable time, I think not only should the road be built but steps should be taken to begin as soon as possible, so that it could possibly help out in relieving the unemployment situation and make some recompense for the very, very poor fishery this year. Mr. Speaker, I ask that this petition be received and referred to the department to which it relates.

On motion, petition received for referral to the department to which it relates.

**Hon. J. T. Cheeseman** (Minister of Fisheries): Mr. Speaker, it affords me great pleasure to support the prayer of the petition that has just been presented by the hon. member for Carbonear-Bay de Verde. To anyone who knows anything whatever about the approach to the town of Bay de Verde, to say, as the hon. member said, it is hazardous, is putting it very mildly. Bay de Verde, as the hon. member has just told me, is one of the most important fishing settlements in the Island. I agree entirely that the request is a very reasonable one and should be acceded to at the earliest possible moment, and when I say that, Mr. Speaker, I mean "immediately."

**Mr. James Higgins** (St. John's East): Mr. Speaker, I wish to support the petition. I have visited Bay de Verde a couple of times. The first time I went was in the dark, and if I had seen it in the daylight, I would not have gone, as practically nothing but a goat

should get in and out there. Only devotion to the party brought me down there and it will take more than devotion to take me back before they fix that road.

**Premier Smallwood:** Down there campaigning?

**Mr. C. Sheppard** (Harbour Grace): Mr. Speaker, owing to the large proportion of the fish coming into Harbour Grace from Bay de Verde District and from my knowledge of the place, I would also like to support the petition presented by the hon. member for Carbonear-Bay de Verde district.

On motion, petition received for referral to the department to which it relates.

#### **Presenting Reports of Standing and Select Committees:**

**Hon. C. R. Ballam** (Minister of Labour): Mr. Speaker, I beg leave to present the report, the annual report for the year 1957, of the Workmen's Compensation Board. I may say this would have been presented earlier in the session except for the fact that it was not ready. Now, Mr. Speaker, in laying this report on the table, I may say I have copies for all of the members in the house, and I would like for all of the members to have a careful look at this report; as, in my opinion, it is a most excellent report and will indicate to the hon. members the work this board is doing. They are, in my opinion, to be highly complimented on the excellency of their work. When I realize that this board has paid, since April 1st, 1951 to December 1st, 1957, approximately \$8 million to injured workers or their families it is, in my opinion, one of the greatest achievements that this government has made for Newfoundland since Confederation, particularly for the labouring classes and for the workmen. Never before did we have anything of this nature for injured workmen. I highly congratulate the Board for their work, Mr. Speaker, and I have great pleasure in laying this report on the table. I also have something else here, Mr. Speaker, not a report but an amendment to a regulation of the Labour Relations Act, which I have to, by Statutory Law, lay on the table of the house.

**Giving Notice of Motion:** Nil.

**Notice of Questions:**

**Hon. M. M. Hollett** (Leader of the Opposition): Mr. Speaker, I wonder if I may direct a question to the Hon. Minister of Mines and Resources. I wonder, could he tell me if anything has so far been done to implement the agreement which, I understand, was entered into by federal and provincial governments relative to roads to resources programme? Perhaps the Minister could give us some details about that now, or perhaps he would rather take it as notice.

**Hon. J. R. Smallwood** (Premier): Mr. Speaker, we are ready to make a statement on this matter but are not making it because we have been requested to withhold the statement for a while. We have been requested by the Minister at Ottawa, (Mr. Hamilton). We have signed it and are awaiting their signature. A statement will be made, probably not in this session of the house, in which case it will be made after the house closes. It is prepared for making in this house at this time but is being withheld at the request of the Federal Minister.

**Mr. G. Nightingale** (St. John's North): Mr. Speaker, I would like to go back to my "well", "well", "well", and say acid has been pumped out of this well, and it is not even fit to wash the floor. I trust this petition referred to the house and presently referred to the department, will be looked after. I really believe the well could be cleaned out, and with a mechanical pump, pumped dry and reconditioned. I really believe that myself, and I think if these two departments would take this into consideration because it is a government well, there is no doubt about that. There are fourteen families involved and each one does not know how to sue Concrete Products.

**Mr. Speaker:** Order! The hon. member has been entirely out of order. I think I might explain:—

This is a question period and only questions may be asked. The hon. member could more properly have said:— Mr. Speaker, may I ask the Hon. Minister of Health if any action has been taken regarding such and such a matter? Then, if the Minister had

answered, he could have asked him another question based on that. But no hon. member should make a speech during the question period. I would like to make that clear. A speech is entirely out of order during the question period, when only a question may be asked and an answer given.

**Mr. Hollett:** Mr. Speaker, I thought, as the Premier referred to roads to resources, that may have a connection.

**Mr. Speaker:** I must say I fail to see the connection.

**Mr. Hollett:** Mr. Speaker, may I direct a question to the Hon. Minister of Education and ask if any representation has been made to him by the people of Mount Pearl and Glendale with reference to the very high bus fares which they are likely to have to pay now under the revised system of bus fares, and if so, what if any recommendation the Minister wishes to make to the government relative to that? You can say we cannot enlarge on it, that I would like to raise the matter now, so that the Minister and the Government, indeed, may have some time to think it over because I would like to ask them another question also. Does he know that persons with four children coming into St. John's will have to pay six dollars a week for bus fares with the present set-up? Very few people can afford that.

**Mr. Speaker,** may I direct a question to the Hon. Minister of Fisheries and ask him if he has been made aware of the conditions of the people in Seal Cove, in Fortune Bay—I believe in your district, Sir, Fortune-Hermitage. The condition of the people up there relative to their ability, or otherwise, to fish on account of harbour conditions, work conditions, wharf conditions, etc.? I would also like to ask the Minister of Highways—but the Minister seems to be absent this morning.

**Mr. Smallwood:** Out building roads, you see.

**Mr. Hollett:** I wonder if any inquiry has been made of the Minister as to whether or not some road work would be made available to the people of that area, because I understand, their whole population, (actually 175 voters) are all out of work, and some

road work at this time of the year would save the situation for them. That is a question too, Mr. Speaker.

**Hon. J. T. Cheeseman** (Minister of Fisheries): Mr. Speaker, may I say I have not received any representation from Seal Cove, Fortune Bay, in connection with the matter referred to by the Hon. Leader of the Opposition.

#### Answers to Questions:

**Mr. Hollett:** There is one question which has not been called yet, the question is No. 78, addressed to the Hon. Minister of Finance by the hon. member for St. John's Centre, on today's Order Paper.

**Hon. E. S. Spencer** (Minister of Finance): Mr. Speaker, the answers to this question are being prepared.

**Mr. Hollett:** Mr. Speaker, before proceeding with the Orders of the Day may I ask the Hon. Minister of Economic Development whether the answer to **Question No. 74** is in course of preparation?

**Premier Smallwood:** It is not only in course of preparation but it is completed because I read it, and I regret that I just omitted to bring it here this forenoon, and would hope to bring it here this afternoon.

On motion, that the house go into Committee of the Whole on Bill, "An Act to Authorize the Raising of a Sum of Money By Way of Loan on the Credit of the Province and to Repeal Act 46 of 1958, Mr. Speaker left the Chair. Mr. Clarke, Chairman of Committee of the Whole.

**Mr. Smallwood:** Mr. Chairman, with your consent I would table the answer to **Question No. 69**. It is not the one for the Hon. Leader of the Opposition. That will be along later in the day. This is for the hon. member for St. John's Centre. (Question No. 69, tabled while the House was in Committee of the Whole). (See appendix for questions and answers)

#### LOAN BILL

**Hon. M. M. Hollett** (Leader of the Opposi-

tion): I think it is in order to say just a few words, is it not, on this Bill before we start asking any questions. I note in the resolution, as has already been pointed out to me appears in every resolution—"It is expedient to bring in a measure to authorize the raising of a loan of \$14 million, etc." Now, as is known by every member of the house, I know that it is at the moment expedient to bring it in and therefore I do now wish to question that point any more. I would only like to say this though:— You know what the McNair Commission said about us, what kind of a province we are as far as economic development and our economy and so on is concerned. We are the poorest of the poor provinces. Actually, therefore, our credit must be limited somewhat accordingly, at least until some of our natural resources are developed, like this big uranium mine on Labrador and Wabush Iron Company and various other projects. Until they are developed, of course, we will remain but a poor province, and therefore the credit of the province would be somewhat restricted. Therefore, I would like to point out how important it is that we endeavour to keep down the amount of our national debt as much as possible; because we must not, as a House of Assembly at any rate, think only of the present, we must not think only of spreading our wings and dropping dollars here, there and everywhere simply because we happen to be in power. We ought to remember that there are years to come, that there are governments to follow this one, and money will even then have to be found for capital costs and capital expenditures. If we borrow to the limit of our credit at the moment, then we certainly will be limited in the future, and in the nearby future. That is not the way we want it, and I am quite sure it is not the way the government wants it. Therefore we ought to be very, very careful before we ever attempt to increase our national debt to any great extent. At the moment it is \$65 million, I think, direct debt, and the unfunded and guaranteed debt brings it up to \$71 or \$72 million. Add another \$14 million to that and it brings it up to \$85 million. So, we are gradually, but too quickly, climbing to a point beyond which we ought not to go.

I want to point out, Mr. Chairman, we are not going against the principle of this Bill in

anyway, shape nor form. I am not talking principle at the moment. But if there is any doubt in anybody's mind that it is expedient, than we only have to remember that statement made by the Hon. the Premier today relative to our joint request to Ottawa. We only have to listen to that and we know, therefore, that it is most expedient that we get this \$14 million. I have no doubt we will get it and quite easily, and I hope we get it fairly cheaply. I hope too that the resolution states that it is expedient now to repeal Act No. 46 of 1958, which authorizes the loan of \$10 million. I am glad of that too. I did want to say these few words, Mr. Chairman, in order to give us a chance to collect our thoughts with regard to this loan and loans in general.

**Mr. A. M. Duffy (St. John's Centre):** Mr. Chairman, it seems to me that the methods by which the government will raise this money should be at this time known to the house. I mean, this did not happen over the weekend. I should think that the government was well aware of the urgency of this amount before the house opened at all, because there was no assurance that the recommendations in the McNair Commission would be forthcoming. During the early part of the discussion (last week) we heard about the floating of a bond issue, which I think we all agreed since would be an extraordinary thing to do for merely temporary assistance. As the Premier indicated when I suggested the bank, maybe, would be a fourth alternative, he obviously indicated that was included in the third alternative, which also included other resources available to the government. So it seems to me, Mr. Chairman, that, if this Bill—which of course will go through—it is not unreasonable for us to expect very specific information as to just what methods will be employed to raise the money. Then again, with the \$1.2 million appearing in the estimates, which did not appear in the estimates on which the statement of revenue and expenditure was drawn, the loan of the \$14 million, which will net, as the Premier suggested, I believe, \$13.6 million. That is based on the printed estimates. This amount will be over \$1 million more than the amount desired or necessary now. That may be just fooling with figures, but it is on the printed estimates.

**Mr. Smallwood:** That is only a maximum.

**Mr. Duffy:** I know, I realize that, but it seems to me amounts of that kind should be at an absolute minimum, and expenditures not frightfully urgent should be deferred until January when, in all likelihood, there will be something from the McNair Report.

**Mr. Smallwood:** Nothing could be deferred to January only things we ought to do now, and in fact cannot do during the winter. The only things we could defer are capital account works. We could not defer salaries, the carrying on of all institutions, the ordinary housekeeping of government. The only thing we could defer is house building. But then, if we did so, we could not do it in January because of the weather. Then, again, I say, we are hoping we won't have to float a bond issue. We are hoping we will be able to get accommodation without resorting to the bond issue. If we do we will save considerable sums of money. I think all this is out of order, Mr. Chairman. I was tempted to rise to a point of order when the Hon. Leader of the Opposition was speaking but did not. It seemed a little ungenerous, then when the hon. member spoke, I felt I could not, as I had not objected to the Hon. Leader of the Opposition. But this is wrong, this sort of thing.

**Mr. Hollett:** Okay now!

**Mr. Smallwood:** I think the rules should be carried out even when there is the best of relationship between the two sides, even then and perhaps especially then. The rules are the rules and should be carried out. I hesitated to rise to a point of order, I do not know that I should always be the one to see order carried out. It is not any more my duty than it is that of any other member of the house, but I have a consciousness of rules, and I have a dread of continued ignoring of rules, leading to what it lead to before, in years gone by. This drastic condition was not brought about suddenly, but gradually, over the ignoring of the rules and more and more and more until nobody paid any attention to the rules.

**Mr. Hollett:** Mr. Chairman, if I may on that point of order the Hon. the Premier made, I was under the impression when the Bill was

called a person had the right to say a few words on the Bill, in general.

**Mr. Smallwood:** Yes, but not on the principle.

**Mr. Hollett:** I was not talking on the principle. I just made the remark that I agreed. But I hesitate to think you can rule out of order anything I said there on Clause I of that Bill, if my memory serves me right about the rules of debate.  
On motion, Clause I carried.

**Mr. Hollett:** Could the Minister tell us just how much is to be expected for development of the fisheries under the loan?

**Mr. Smallwood:** That is in the estimates, Capital Account expenditure comes out of the proceeds of this loan.  
On motion, Clause 2 Carried.  
On motion, Clause 3 Carried.  
Motion that the Committee rise and report having passed this Bill without amendment carried.

Mr. Speaker resumed the Chair.

**Mr. Clarke:** Mr. Chairman, the Committee of the Whole have considered the Bill, "An Act to Authorize the Raising of a Sum of Money by Way of a Loan on the Credit of the Province, and to Repeal Act No. 46 of 1958," and directs me to report same without amendment.

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

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

**Hon. E. S. Spencer** (Minister of Finance): Mr. Chairman, during the Committee of Supply on Friday, when the financial estimates were being considered, the Hon. Leader of the Opposition asked an oral question regarding an item appearing on Page 22 of the estimates, under the heading of 101-05, "temporary borrowing for 1957-58." The figure was \$2,750. shown in the estimates. The Committee will observe that was merely an estimate, and the final figure would not be completed yet. However, for the benefit of the Hon. Leader of the Opposition and the Committee, I did

make inquiry from my department and found there were two amounts of temporary loans, paid to date, the larger one being to the Workmen's Compensation Board on loans which were running from that Department and have since been paid. The amount to date is \$19,538.78, of which \$17,126.37 was paid to the Workmen's Compensation Board, the other \$2,400. being on bank over-drafts, a total, as I said before, of \$19,538.78. So when the estimates come in next year it will be found the actual expenditure under that heading will be at least of the order of \$19,538.78 and perhaps more, depending on other temporary borrowing which may take place before the end of the fiscal year.

**Mr. Hollett:** Would the Minister say what interest rate is paid on these loans?

**Mr. Spencer:** Four and one-quarter per cent.

#### Department of Provincial Affairs V:

**Mr. Hollett:** I want to ask, Sir, with reference not only to 02-03 but all the ministers, the motor car allowance of \$500., I take it the Minister can go to Bennett Avenue or somewhere and get gasoline to the value of \$500?

**Mr. Smallwood:** They can go anywhere in the normal course, as the hon. gentleman himself does, and buy the gasoline. The difference is the government pays \$500. towards the Minister's gasoline bill where it does not towards the hon. gentleman's gasoline bill, but there is no other difference. They pay their own bills.

**Mr. Hollett:** The bills are presented?

**Mr. Smallwood:** No. They buy their own gasoline. They have \$500 cash. They buy their gasoline where they like, at normal prices. It is a car allowance, really, not a gasoline allowance. They use it to buy gasoline with. Some may buy cigarettes, I don't know. It is for their cars. They use their own cars. Cars are not provided. They use their own and this allowance is for it, and presumably most of them will use it to buy gasoline.

**Mr. Hollett:** I just wanted to know the



method, that is all.

On motion, Items 502 and 504 carried.

**Mr. Hollett:** On this Marine Disaster Fund, is that still in existence?

**Mr. Smallwood:** Yes. The Government is represented on the Permanent Marine Disaster Board by the Minister of Fisheries and the Minister of Mines and Resources and also the Minister of Welfare. Recently, the government requested its members on that Board to make a request of the Board to know what, if anything, they propose to do with the very large sum of money they have in their possession. They have an amount, I think, of the order of \$500,000.

**Hon. M. P. Murray** (Minister of Provincial Affairs): It is over \$1 million I believe.

**Hon. J. R. Chalker** (Minister of Public Works): No. It is \$300,000 and some odd.

**Mr. Smallwood:** Getting up to close to \$500,000 cash or cash and bonds and the like. For many years past they have not been making payments amounting to anything worth mentioning, and the fund has been growing. Indeed, I believe it has been growing faster than they have been paying it out. So we asked our representatives, these ministers on the Board, to ascertain the views of the Board. The result of that is that, I believe, the Board has given it some careful consideration lately, and is apt, I understand to come forward soon with some kind of proposal for speedier spending of these funds; not to dissipate them but to spend them faster than they accumulate, in the light of the need that exists in a good many parts of Newfoundland, more particularly on the Southwest Coast. I think the idea is to have educational scholarships or something of that order, for the children of fishermen who have lost their lives at sea, or something of that order. But it is not for us to make any statement on that. It is for the Permanent Marine Disaster Fund Board. The government is represented on that Board, and the government have asked the Board to consider the matter, and I believe they have considered it and are likely to make some announcement.

**Mr. Hollett:** I do hope they will, Mr. Chairman, because I think the Minister of

Fisheries will remember as well as I do the great demand, unfortunately, there was on that fund by the Southwest Coast, particularly by the widows of fishermen who had been drowned at Burin. I was magistrate there for eleven years, I believe. In that time I had to give out the amounts that came in from the Marine Disaster Fund, I may say, it was a good thing, a God send, it was well handled by the Board and it was, as I said, a God send to the widows and orphans who had been left by the many, many tragedies which we did have in Burin and on the Burin Peninsula. It was the only hope the widows and their children had when tragedy came to a family. I do hope, therefore, whatever the Board might do in the future they will not dissipate the fund, because I do hope the day will come when (not that it will be needed) a safeguard will be there for possible tragedy. We all know, particularly we in Newfoundland, that people who go down to the sea in ships are bound to meet tragedy occasionally. This, therefore, is something which should be maintained and perhaps should be practically used. I do not know if the government contributes anything to it at the present time. Is the increase at the present time by interest on the accumulated fund?

**Mr. Cheeseman:** And some subscriptions.

**Mr. Smallwood:** Yes, some concerts on board ships and things like that.

**Mr. Higgins:** Censorship of movie pictures. Have we anything to do with that in this province?

**Mr. Smallwood:** No—only a token vote—I wish I had the famous letter here ... The censors, years ago, were Mr. Furlong, down at T. & M. Winter's, Mr. Will Carty who had been a newspaper reporter, and I forget the third one, I think it might have been the late John Foran. They had been getting a very small rate of pay for years and years, \$100 a year, or something like that. So they wrote to the Prime Minister of the day, (Sir Richard Squires) and asked for an increase in pay, and they wrote the letter in verse, and wound up by saying:— "For we do the most of our work when the rest of the city are sleeping,"—meaning to say, when the show closed at night they went into the movie house and saw the new picture not

yet shown and not yet passed by them. So they did their censoring late at night—"We do most of our work while the rest of the city are sleeping."

Sir Richard wrote a reply, in verse also, and I suspect the fine, intelligent hand of Mr. Carew in the reply. It was one of the most amusing things, I think, ever penned in Newfoundland. It ended up "And so, as occasion requires, I remain sincerely yours Richard A. Squires." It berated them for their gall and audacity in asking for an increase in pay, when in fact they should be paying for the privilege of seeing these movies, especially parts the public were not allowed to see, parts they censored. I wish I had it. I have it in my files somewhere.

**Mr. A. M. Duffy** (St. John's Centre): Mr. Chairman, in connection with that token vote, I don't know if anybody goes to the movies. I suppose some people some times go. It seems to me very much more important to think of some sort of censorship on the foul and filthy literature to be found on all the book stands of the city and throughout the province. I think we are all very well aware of this, although maybe we do not give it too much thought. This literature, in various forms, in different forms, designed for all ages—I am thinking of the young people whose minds are soiled daily by this stuff. I do not think it is possible to go to any bookstand, not book shelf but bookstand, in any store in Newfoundland and pick out a book that is not objectionable in some shape or form. Now I do not know how far, what we can do, if anything, but it seems to me to be extremely important because it is doing tremendous harm. If there is anything that could be done about it, from the preventative level, I think something should be done.

**Mr. Smallwood**: Mr. Chairman, the present Minister of Justice in the Government of Canada was instrumental, when a member of the Opposition a few years ago, four or five years ago, in getting Parliament to adopt a law controlling coloured comics and that type of salacious literature and pornography. He is now the Minister running the Government of Canada in so far as the laws are concerned, and I do not know why that should not operate here. They have a police force stationed in Newfoundland. (I am referring to the Government of Canada) the

RCMP, and they have a Federal Law governing these matters, and I do not see why the Minister of Justice of Canada would not instruct his police, who are the RCMP in Newfoundland.

**Mr. Duffy**: But they have no jurisdiction over St. John's.

**Mr. Smallwood**: They have jurisdiction over every square inch, mile of Canada. I do not see why they do not enforce it. I agree with the hon. gentleman, it is pure smut and filth, some of it, not all of it—some of it. I would be hesitant about censorship on books. I would be a little hesitant about that. But this filth that is passed out in tons, not in tons, it is worse than that, it is coming into Newfoundland, I am told, in carloads, salacious literature and pornographic coloured comics. Comics when not salacious and pornographic are still rubbish anyway, just trash, rubbish. I wonder to God what the coming generation are going to be if you give twenty-five years (a generation is ten years) of reading these frightful coloured comics, and constituting their literature, and being their literature, that and nothing else being their literature—I might mention also a certain newspaper, but I won't. Say for ten years, that being the extent of their literature and then for fifteen years the only news they get being television, at the end of twenty-five years we will have a race of illiterates and illiterates who will be dangerous, not even innocent and harmless but dangerous illiterates. It is frightful, simply frightful to contemplate. The art of reading is dying, it is almost dead. The art of conversation is dying and is almost dead. Open your mouth when television is on and you are likely to have your throat cut, especially when this frightful wrestling is on. I understand there are grown-up men who cannot wait for Friday wrestling, who cannot wait for Friday night to come. I wonder do they also read these coloured comics, these same men? Do they? It is about on the same par, is it not? God help us! At the end of twenty years of this, with television in with it, and bringing another television station here with it—It would be a good place to leave. I think every literary, cultured man should plan to come over to Roaches Line and join me, and just settle down over there and read and talk.

**Hon. J. M. McGrath** (Minister of Health): Mr. Chairman, I would like to remark to what the hon. gentleman said. Them Lord Knows I am no "Simon Pure." I enjoy a good joke as well as anyone else but this type of thing getting around, this absolute filth, filthy enough to make one vomit, but worse than that, one cannot avoid it. Not long ago, on one occasion, four catalogues were delivered to my house where there are young children, addressed to "Householder" with hundreds of items, in the form of so-called "joke books"—obviously conceived in absolute filth. This has been distributed by the Federal Government of Canada. I don't blame them, Sir, I don't know if it was brought to their attention, I immediately burnt them and made a complaint, and it has not happened since. But it does show that there should be some type of control where children are concerned. I certainly would not be in favour of censorship of anything, no matter what it was. For a grown person, that is their own affair and they should decide for themselves. But we certainly should be able to protect children from inadvertently coming across anything like that, and not have catalogues of this kind delivered to children, where it is just thrown in where the children can get at it before the parents. There certainly should be something to prevent that.

**Hon. F. W. Rowe** (Minister of Education): Mr. Chairman, I just want to ask a question—Could not the hon. member who just spoke take action? I believe under the Law of Canada he could take action against the distributors.

**Dr. McGrath**: What I did was to report it to the postal authorities. I believe they did take some action. But I was not the only one—these were distributed widely.

**Mr. Rowe**: The point I am making; if some man were guilty of enticing my thirteen year old boy to drink alcoholic liquor, I have recourse to law. If my wife or children or any member of my family is assailed in any way, I have recourse to law. I am quite sure that the hon. member or any other hon. gentleman, under this section, can have recourse to law, against the publisher or distributor, or both. It seems to me that therein lies the answer to that, because we have the

experience of the ages behind us in this matter of censorship—We know what that means. People start out on sound grounds or morality and end up,—the powers that be, whether political, economic, religious,—end up by censoring anything which varies with their belief, even in our Nation—It is happening today all over the world. The answer I believe lies with the individual parent and not in censorship.

**Mr. Hollett**: Mr. Chairman, I do not want to delay the house. I do concur in everything said by the hon. gentleman—

**Mr. Smallwood**: Including the wrestling? And including the westerns?

**Mr. Hollett**: Including the wrestling and and westerns as well. It is not wrestling. Anyone who calls that wrestling is a fool. It is not wrestling. Anybody knows that. As to some of these things on television, and these comics and books on news-stands, I think this house ought to go on record as asking the Minister of the Department of Provincial Affairs to contact the censorship authorities in Ottawa to see if there is not something that could be done about it. After all we are not all morons in this province, and we ought to let it be known in the proper department that we are disgusted at some of the things which are allowed to come in here.

**Mr. G. R. Renouf** (St. John's South): Mr. Chairman, if I might take just one brief moment in endorsing the sentiments of the Hon. Minister of Education and the Hon. Minister of Health and the Premier and the Hon. Leader of the Opposition—

**Mr. Smallwood**: And the hon. gentleman who has raised this matter—Do not forget him.

**Mr. Renouf**: I wish to endorse the sentiments expressed, Mr. Chairman, and think we should go a step still further with the Resolution in mind and have a Committee of the house appointed to do a bit of follow-up investigation and see that it is applied. I hope it will have some chance of being put into practical effect. After all, our education and all the good things of our life will be nullified unless we make some kind of a fight back.

On motion, Item 507—carried.  
507—Civil Defense

**Mr. Higgins:** Can the Minister tell us what the actual amount of that was in 1957-58?

**Mr. Murray:** Yes. I have it here. There was a cut-down last year. This amount is received from Ottawa on a fifty-fifty basis. The provision was reduced from sixty to fifty principally because the amount voted in 1957-58 for the purpose of a fire pump has not been completed. The total amount spent on civil defense, up to this morning, is approximately \$29,000.

**Mr. Hollett:** I did not quite understand that. Mr. Chairman, did the hon. minister mean up to this date last year, to the 8th of September 1958, only \$29,000 was spent? What was the total amount up to the end of the fiscal year, March 31st. this year?

**Mr. Murray:** In my notes there from the department, the total amount spent for Civil Defense to the 31st. March 1958, \$29,000.

**Mr. Hollett:** This is the provincial share?

**Mr. Murray:** Yes.

**Mr. Hollett:** Ottawa gives half back.

**Mr. Murray:** We estimate the full amount, but half will be recovered from Ottawa.

**Mr. Hollett:** If it was \$58,000 last year why is it down to \$50,000. now?

**Mr. Smallwood:** Because there is nothing big this year and there was something last year.

**Hon. M. P. Murray** (Minister of Provincial Affairs): A fire pumper was bought last year.

#### ITEM 508—Exhibitions and Fairs.

**Mr. Hollett:** This is agricultural exhibitions?

**Mr. Smallwood:** Yes, and the other fairs, all over the country.

**Mr. Higgins:** That also provides grants the

government makes to organizations holding fairs?

**Mr. Smallwood:** Yes. The Minister of Provincial Affairs, the Solicitor General, is in charge of Fairs, as far as the government is concerned. But in addition to money he has paid in lieu of a grant towards the original cost of the building, etc., he makes an annual payment to the fair that is held in that building. Now, apart from that, all this money goes to the big annual Fair held in St. John's here, which is again being held now shortly. There are Fairs held all around the province; and on the Southern Shore.

**Mr. Murray:** I have the list here. The average spent on Fairs last year, Sir, was \$60,000.

**Mr. Smallwood:** Five more than was estimated.

**Mr. Hollett:** Could the Hon. Minister tell us how much was spent on the Southern Shore?

**Mr. Murray:** Last year the Provincial Exhibition, the first, cost \$47,000. This year we hope it will be much less because a lot of equipment was bought last year which will not have to be bought again.

**Mr. Smallwood:** I may say I am personally very gratified at the way in which the people on the Southern Shore have taken hold of this whole idea and voluntarily got up exhibitions, all up and down the coast. I know the minister has gone along with that and has not tried to stop them from holding these exhibitions. I think he is to be commended for that.

On motion, Department of Provincial Affairs, carried.

#### Department of Education VI.

**Hon. F. W. Rowe** (Minister of Education): Mr. Chairman, I think perhaps I can save the Committee time and avoid any misunderstanding if I took perhaps five minutes or so to deal with some of the aspects of the special developments which are envisaged in the estimates for the Department of Education this year. There are only three or four I need refer to:—First of all, of course, the total expenditure, as the Hon. Minister

of Finance pointed out, is up over \$1 million. These increases have taken place in two or three main categories, but there are several others, shall we say, of lesser importance, where there are increases—lesser importance in one sense, that is. I will deal with these in turn:—

First of all — “General Office” — this shows an increase, a substantial comparative increase. The reason for that is that, owing to vast developments in education in recent years, we found it necessary to strengthen that office, administratively and very considerably. For instance we appointed an Assistant-Superintendent of Education for the Pentecostal Schools in Newfoundland and also an Officer to look after the special needs, under the Superintendent of Education, of all Amalgamated Schools; not forgetting for one moment, Mr. Chairman, the one important point — There are no schools in Newfoundland which do not come under the Churches. All schools in Newfoundland helped by the government come under denominational authority, whether directly operated by the churches, as in the case of St. Patrick's Hall and Curtis Academy, or indirectly by joint agreement of two or more denominations, as in the case of the public school at Grand Falls or the Amalgamated School at Lewisporte or the Regional Amalgamated High School at Corner Brook. We also appointed an Assistant to the Deputy Minister, on whose work I do not have to elaborate. Everyone knows he has had a tremendous burden, which has been aggravated in recent years by various developments. So that we have appointed a sort of Personal Assistant to the Deputy Minister to help in the office. That explains then the fairly substantial increase there under “General Office.”

The next one to which I will draw the attention of the Committee is 607 — Correspondence Courses — because of the very extensive development both in the field of scholarship and in the field of correspondence tuition, I might say this is designed to look after the needs of children of high school age in isolated parts of Newfoundland, where they have no competent teacher or maybe no school whatever. As this house knows, in recent years it has been found increasingly difficult by denominational authorities to find qualified teachers, or for that matter any teachers at all, for some of

the smaller and more isolated parts of Newfoundland, where a teacher would have to undergo discomfort and in some cases hardships. So that this correspondence work has been greatly enlarged, and this year we are implementing the Grade IX level and next year Grade X and in the following year Grade XI level. We have joined these two areas together and created a new Director within the Department — Correspondence and Scholarships — the Director was recently appointed and is now at work. There is a tremendous load of responsibility in connection with scholarship and bursaries at the present time.

The next item I would draw the attention of the Committee to is Item 608 — Training of Teachers — up very considerably. It would have been higher, Mr. Chairman, but for the purely physical fact that the University does not have, literally, another inch of space nor seat to spare. In any case, even if they had, they could not enlarge any further this year because they do not have the staff. We have a two-fold problem, as pointed out earlier in the session — We this year are in the most fortunate position of being able, not only to get all the recruits for teachers we want, but are able to select those from very high standards. Nevertheless there is an increase there because all the denominations are right up now to their full quota. Only this morning I was discussing the point with the Superintendent of one of the major denominations. His quota is 105. That has been filled completely, and in addition he was able to report to me that he feels that he has a group of the highest possible calibre.

Under Section 109, there is a fairly substantial increase in Teachers' Pensions. That is due to the fact that this past year a number of teachers have become pensionable. There is no way to regulate that from one year to another. Some years there may be one or two teachers in the whole province who reach pensionable age and in another year maybe a dozen.

Under the next Item — Scholarships — I want to say a word there in explanation. The Committee knows that in recent years the government has instituted a number of scholarships; for example, scholarships to commemorate former educators, Burke, Blackall, and Curtis, etc. Also, the government set up a number of Electoral Scholar-

ships; that has automatically created some 72 substantial scholarships. In the case of Grade XI they are worth \$600 each. Then, two years ago, the government created 100 Responsible Government Scholarships. That was to commemorate the Centenary of Responsible Government in Newfoundland. These 100 scholarships were divided into two categories, 50 to be applied to the university to assist students in the university already to go on to further study and 50 to assist students to complete Grade XI and to go on to university. These scholarships, I may say, were further broken down, and the government, through legislation, set up so many scholarships out of the 100 for education, (40, I believe) so many for medicine, so many for other studies. As well, that has the effect of encouraging promising students, especially those whose economic circumstances are not very high, to continue to study. Otherwise it would be entirely beyond their means.

Now, in addition to these, at this very session of the house, the Hon. the Premier announced here the creation of 1000 and bursaries, which will be known as "Confederation Scholarships" and "Bursaries." For the benefit of the Committee I will take a moment to break these down. I may say, this programme is not yet fully understood nor appreciated by all the people of Newfoundland, especially in the more isolated parts of the province. We have found, in recent days, that there are some students in parts of the province eligible who do not even know. Accordingly, we are taking steps this very day to publicize one aspect of these scholarships more fully. There are 500 bursaries for students in the one-room schools of Newfoundland, and they are open to students who complete either Grade IX or Grade X successfully in their one-room schools, and who want to go on to further study. In that event they can get a bursary from \$125. to \$500. to go to a school of six classrooms or more to study Grade X or Grade XI, as the case may be. That is the one which we feel is probably the most important advance that has been made in the scholarship field in Newfoundland in our entire history because, as I have pointed out on another occasion, for a child who is born in a small community and has to attend a one-room school, he has one-sixth of one percent chance of attaining matriculation,

one chance out of six hundred. These are the records, I did not invent those. I wish I could say I did. There is the record for all to see. So that these bursaries will eliminate to some extent these historic lack of opportunities for some of our children in the more isolated and smaller parts of the province.

We have created 150 scholarships for children in two-room schools, to enable them when they complete Grade X to go to larger schools of their choice, six-room schools, which may be near at hand, and in St. John's and some larger centres. For that purpose these scholarships are worth \$500 — to enable them to go to larger schools and get their Grade XI.

We have created 150 scholarships for students in three-room schools to enable them to go to schools of six-rooms and larger and to get their Grade XI; and 250 bursaries and scholarships worth \$100 each to assist students in schools of four-rooms or larger to continue their studies from Grade X to Grade XI. The economic factor enters the picture, when a child has tried to decide whether he will go in here in St. John's to Grade XI — Will my daughter go on to Grade XI or go to work after having done Grade X? The needs are great. This \$100, small as it is, could prove to be the deciding factor in many cases as to whether or not a child can go on. That is particularly pertinent where there are two or three in the family at the high school level in large families.

This then, Mr. Chairman, explains the total. This year it means we shall be spending three and a half times as much on scholarships as we did last year. I might say that, in drawing up these estimates, it was almost impossible to predict accurately what the cost would be and how many would be able to take advantage of them this year. Considering all the factors involved, that was the nearest we could go. I would draw the attention of the Committee to the fact that, in Adult Education, there is a fairly substantial increase. The explanation for that is under salaries, in that we have been able to appoint two new field teachers, instructors, to set up Adult Education services at Corner Brook and at Gander.

Under 614, Mr. Chairman, we have perhaps the most important of all our increases. First of all, I would draw attention to the salaries of teachers. The salaries of

teachers this year have been raised to \$7,892,000. When they were rescaled last year, the house voted an increase of 10% for all teachers of the province; and when then another \$750,000 is added to the 10% of last year, we can understand why we are now in a fairly satisfactory position, vis-a-vis teachers' salaries. Today, with one year of University training beyond Grade XI, one year or more, qualified teachers received anywhere from \$2600 to \$2700 up to \$7000 this year in Newfoundland. Qualified teachers in Newfoundland this year may receive, depending on the amount of training and responsibility, anywhere from about \$2600 starting salary. That is for teachers who have one year training. I am not speaking of young people put in some of these schools who have not perhaps passed Grade XI, or with one summer school or one month's training somewhere in the summer. They get somewhat lower. But for teachers with one year university training, beyond Grade XI; and when it is considered that the government virtually paid the cost of that one year training by underwriting the student at \$600 for that one year, it will be appreciated, I think, that we have done everything humanly possible to encourage teachers in Newfoundland. It might be more than \$2600 if the teacher is in charge of one-room school, or in a northern community, any community of the Great Northern Peninsula or in the St. Barbe, White Bay North or South or Labrador, the teacher receives an amount of \$700 more. Such a teacher would be receiving approximately \$3000 a year— That is, a beginning teacher may receive as much as \$3000 depending on the type of school where he or she starts teaching, and going up, a teacher may receive as much as \$7000, or approximately \$7000. I do not think I need point out that teachers receiving \$7000 would be highly trained; a principal of one of our larger schools; but still the number receiving \$6,000 and \$7,000 this year is very considerable in Newfoundland, and a still more considerable number will receive between \$5 and \$6 thousand.

**Mr. Hollett:** Would there be 100 getting over \$5000?

**Mr. Rowe:** I would not want to guess on that, Mr. Chairman, I could easily supply

the Committee with that information. The number would be very substantial, those getting \$5000. You might say that virtually all the principals and vice-principals of the medium size and large schools, who hold a university degree, will get over \$5000 a year. Now next, in some respects a still more important item, maintenance: Our maintenance grant, as will be seen from the estimates, has risen from \$312,544 to \$340,000 to \$810,000 this year — from \$312,544 up to \$810,000 this year. It is virtually two and a half times what it was last year. Now these grants are made up in several ways. The chief maintenance grant is applied for and janitorial services and so on. There are also special grants for libraries, for creating and building up libraries and for creating and building up household science and laboratories and so on. I know the Committee would be interested in these figures which I am going to give here for five of the largest schools in Newfoundland, to indicate what is happening. I think these are the largest schools of the respective denominations, as far as I can judge. Last year, for example, St. Patrick's School here in St. John's received \$4,050 from the government for maintenance. This year that school will receive approximately (this may be out of a few dollars one way or the other) \$14,000. We will not know the exact figures until we get the returns from the schools. Approximately \$14,000 as compares with \$4,000 last year.

**Mr. Hollett:** For maintenance? What puts the maintenance up?

**Mr. Rowe:** The decision of the government to raise the maintenance grant for schools. We knew that in some cases it was impossible to get along on these grants, and so the government this year decided to increase the maintenance grants as I mentioned, for libraries and laboratories. These are important, Mr. Chairman, in view of the increasing number of larger schools coming into being. These two-room schools might have gotten along without a laboratory but a twenty-room school won't get along without two laboratories. A two-room school may make out with a little book case; but a twenty room school has to have a large library. For St. Michael's, the largest Anglican school in the province, the maintenance again was

\$4050 last year and is this year \$13,600 as nearly as can be estimated.

For Curtis Academy, the largest school operated by the United Church in Newfoundland, it was \$3,750 last year and this year \$12,250. The Salvation School at Windsor, I think, is the largest in the province; last year it received for maintenance \$1,450 and this year that same school will receive \$6,650. These are four denominational schools I have taken. One amalgamated school, the Amalgamated Regional High School at Corner Brook last year received \$6,400 for maintenance and this coming year will receive \$14,000 starting this month. I do not know where this figure came from, Mr. Chairman, but at any rate as nearly as we can figure it, the Amalgamated School at Corner will receive \$14,000 in maintenance this year.

This is one other item under this main sub-head of 614 I would like to draw attention to — The Transportation of School Children Vote. The government has instituted, during recent years, two main policies for the transportation of school children. This perhaps should take a moment to explain. First of all, the transportation policy, as it applies to regional and central high schools:— It is the same as is happening right here in St. John's with the Roman Catholic Regional High School for girls. When that school is completed, it will serve nearby schools perhaps as far away as ten or fifteen miles or more, and perhaps more than that, but on an average from five to ten to fifteen miles. In a case of a big school like the Roman Catholic girls high school, I do not doubt it could be longer than that. The high schools from these various surrounding areas, the high school students of Grades IX, X and XI are brought into the Regional High School, the one central high school, which handles only these grades. That involves a transportation system which is arranged by the Board, not by the government, not by the Department of Education. But as assistance the government will pay 75% of the cost of that system, and the remaining 25% is provided by the Board, usually through the method of charging small sums to the children concerned, I understand. That is a matter entirely for the Board. The second policy is a little more complicated:—

**Mr. Hollett:** I wonder if I could interrupt to ask a question which I raised while the Hon. Minister was absent this morning, in connection with the children at Mount Pearl, and Glendale, on account of the raise in bus fares. They find it almost impossible to send their children into school, about three bus loads a day. Some people have four children, costing six dollars a week, which is tremendous. I wonder if the Minister could have this made to apply to the children of Mount Pearl—Glendale; and whether the government could not assist them.

**Mr. Rowe:** Unless the Mount Pearl Board has a transportation system of its own, approved under one of the two main policies of the government, there is no assistance we can give whatever. I am speaking here of Board transportation which has been instituted by the Boards, after being submitted to the educational authorities within the Department of Education and receiving the approval of the Executive Council. I may say it has never been withheld so long as it functioned within the formula which has been set up by the government to look after the needs of children who have to go to other schools.

The second policy, Sir (the first I mentioned was regional high schools and central high schools where the government pays seventy-five percent of the scheme set up by the Board) and the second one, which as I said, is a little more complicated. The general provision is that if in an area a Board of Education finds that it can instead of operating a school, let us say, instead of operating a one-room school, take the thirty children in that school (we say thirty, it could be fifteen or forty) and bring them to a central school, a larger central school (not high school necessarily but a larger central school) if the cost of so doing is less than the cost of running that one-room school and paying the teacher. Then the government will provide ninety percent of the cost of the transportation.

Let me give a specific example:— for example, out on the Botwood Road the Roman Catholic Church is operating a one-room school, and the cost of operating and paying the teacher is \$3500 a year — a one-room school with all the grades, where children have very little chance. The Bishop and his advisers decided they could bring these



children in by bus and have them absorbed into the big twenty-five room school in Grand Falls, and the cost of transporting them will only be \$3200. They decide to do that. They make the proposal to the Department of Education, where it is examined within the Council by the superintendents and, if they agree on it (as they almost invariably do) providing everything is in order, and it is then submitted to the government, and the government will, under normal circumstances, approve it. Then, thereafter, the Department of Education pays over to that Board ninety per cent of the cost of \$3200. Now these are the general provisions of these policies. There are some other complications which I am not going into. This was introduced, I think, about three years ago, sometime before my assuming the office of education. I think my hon. friend, the Minister of Public Works, may remember. It was three or four years ago. I might say here again, it is impossible to estimate accurately what is going to happen. At Christmas, perhaps, the government may very well find it is presented, as some regional high school comes into being, for example, with a programme or plan which will call for some additions to what has been provided. In that case, I presume, some supplementary estimates will have to be found. We can only go on, as it were, from day to day on this transportation point.

Mr. Chairman, I do not think there is anything else I need to draw to the attention of the Committee. Under 617, in case there is any doubt about that, that small provision is for the government's Arts and Letters Contest, which has been received with such approbation all over the province. I think I have dealt with the main sub-heads where very substantial increases are requested. On motion, Items 601 through 603 carried.

**Mr. Hollett:** On Item 604, School Supplies, I wonder could the Hon. Minister tell us just what that consists of?

**Premier Smallwood:** Books!

**Mr. Hollett:** That is what I want to raise. Somebody did communicate with me with regard to the change in books every year, or probably a year or two at the most, which is costing the parents extra. In addition, the

books which John had this year are not any good for Joan two years hence. Now is that on account of the system of education? Have we not yet arrived at a system? Are we still groping in the dark? What are we doing?

**Mr. Rowe:** Mr. Chairman, very briefly, I can say that is true in certain circumstances, what my hon. friend says, but the practice is grossly exaggerated, believe me. One of my boys, taking Grade X this year, will use about half the text books, the very same, actual books that his elder brother used six years ago in Grade X.

**Mr. Hollett:** What is wrong with the other half.

**Mr. Rowe:** He may be using more than half.

**Mr. Smallwood:** That is an excellent question — what is wrong with the other half?

**Mr. Rowe:** Nothing! I did not say he has to buy the other half. I said, "half of those he actually used six years ago." These very books he will be using now. The reason, perhaps, he is not using all of them, most of these he used recently, the others are worn out. These books wear out. For example, off-hand, there has been no change in the algebra used in the schools for years and years.

**Mr. Smallwood:** Has algebra changed? That is not surprising.

**Mr. Rowe:** There has been no change in the geometry, no change in arithmetic, the history, I do not know how many years they are using it now. There are some changes. I am not attempting to defend it at all. I did not create, and do not have to defend them. I would point out that the physics book used twelve or fifteen years ago is hopelessly out of date, as are books on astronomy, and the chemistry books written twelve or fifteen years ago are hopelessly out of date.

**Mr. Hollett:** Is the grammar out of date?

**Mr. Rowe:** Grammar itself is something which changes through the ages. I would say that a number of books, especially history and geography, go out of date fairly

quickly. A geography, for instance, has a whole chapter of the trade of different countries, which is hopelessly out of date. I am sure the Hon. the Leader of the Opposition will agree with me that any history or geography of Newfoundland written prior to 1949 would be very much out of date.

**Mr. Smallwood:** That does not mean they will be four years hence.

**Mr. Hollett:** Are we going to forget the past history and start the history in 1949? "Newfoundland was discovered in 1949."

**Mr. Smallwood:** I think myself, Mr. Chairman, that the Hon. Leader of the Opposition is right. I think that the production of school text books is the same, a commercial enterprise, as the manufacture and sale of women's hats, and the same desire that exists in the manufacture of school text books, and that the desire to increase sales by changing the style is as much present in the manufacture of school text books as in the business of the manufacture of women's hats — The more often the style changes the more sales will be made, and the better the balance sheet for the shareholders at the end of the year. Notwithstanding the boot lace hanging down and the vest with the black silk braid on the edge, the balance sheet moves and motivates them as much as it does in any other kind of commerce. They will look extremely dignified. I would say the most dignified class of people in the world are the salesman of the Encyclopedia Britannica. They look more like bishops, and their manner and splendour, when they come down and visit my hon. friend or any other Minister of Education all across Canada, selling school text books — They search the markets for men who look more like bishops than bishops ever hope to look, and have them as salesmen to come down selling text books. It is one of the great rackets of North America. They have many ways of overcoming Cabinet Ministers who, before they become Ministers of Education look at this thing in a very hard boiled and realistic fashion, but after becoming Ministers of Education, even hard-headed business men who know all the tricks of the trade, are terribly impressed by these school text books salesmen. They have the finest techniques of any. Talk about the chaps that

push the sale of companies stocks across the border, they are only pikers compared to the printers and publishers of school text books — My hon. friend stands and humiliates all of us by defending that kind of thing.

**Mr. Hollett:** I am very happy I did not have to make an indictment I was about to make. I am happy to have the Premier do it. I hope it goes further, and all across Canada. I think it is scandalous, the racket (and that is a very good name the Premier used there) in connection with school books, and I do hope our Minister of Education will take that up with Ministers of Education of other provinces.

**Mr. Rowe:** I may say it has already been done, and in no uncertain way. This whole business is being looked into and investigated.

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

**Mr. Clarke:** Mr. Speaker, the Committee of Supply have considered the matters to them referred and passed items of Current Expenditure under the following headings: — Department of Provincial Affairs, and Department of Education Item 601 through 604 inclusive.

On motion, report received, committee ordered sit again presently.

**Mr. Speaker:** It being now after 1:00 o'clock I do leave the Chair until three o'clock this afternoon.

Monday, Sept. 8, 1959

(Aft. session)

The house resumed at three o'clock.

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

#### EDUCATION ESTIMATES

(Continued):

Mr. Clarke, Chairman of Committee of Supply.

**Mr. Hollett:** Mr. Chairman, before passing item 605, I wonder if the Minister could tell me what is meant by the item — (04) Construction and Acquisition, Boats, etc. (Token) \$100.

**Mr. Rowe:** That is merely a token vote. They have had for some years several of these boats, I think it is three, ever since Commission of Government days, and every year it has been customary to carry this vote in the event they do have to do some repair or renovation.

**Mr. Hollett:** How many have you now?

**Mr. Rowe:** I think it is three.

**Mr. Hollett:** How many vehicles?

**Mr. Rowe:** I do not think we have any vehicles at all.  
On motion, Items 605, 606 carried.

**Mr. Hollett:** Item 607-02-03, Preparation, Correction etc. of correspondence courses. That is a lot of money for that.

**Mr. Rowe:** Mr. Chairman, it is not actually a tremendous amount of money for the material involved, full courses have to be drawn up for each student.

**Mr. Hollett:** What is the extent of correspondence courses in Newfoundland today?

**Mr. Rowe:** Well we are introducing it this year for all students in isolated parts of the province in one-room schools who want to take Grade IX. This is the first year of its being implemented on a broad basis. Next year we will go on to Grade X or XI. But, Mr. Chairman, the best answer I can give to that is to ask the hon. gentleman to visit the two offices now in use for this division and see the tremendous pile of stationary and books, letters and other things with which one room is practically filled.  
On motion, Item 607 carried.  
On motion, Item 608 carried.

**Mr. Hollett:** Mr. Chairman, on 609 — Teachers Pensions etc. Will any consideration be given to pensions to teachers who have been pensioned some years back before the report of that Royal Commission?

**Mr. Smallwood:** No, because the report of that Royal Commission should be this year, we should receive it this year.  
On motion, Item 609 carried.

**Mr. Hollett:** Mr. Chairman, under 610 what is the idea of calling them Confederation Scholarships?

**Mr. Rowe:** I don't know! Somebody pulled that out of a hat!

**Mr. Smallwood:** I am so sorry to have to take responsibility for that. I thought that, as we had taken note of the one hundredth anniversary of the granting or winning of Responsible Government in Newfoundland be awarding one hundred scholarships, now in much the same spirit we take note of the first ten years of Confederation as being a great event, very great indeed in the lives of our Newfoundland people and the history of our island home. So, to commemorate this very great event, a much greater event, I think, in the history of the people of this province, than the granting of Responsible Government, much greater, very much greater because it included Responsible Government with Confederation, it brought with it the restoration of full Responsible Government. To commemorate this very, very great event, perhaps the greatest event since we were discovered —

**Mr. Hollett:** I heard that before. I am tired of hearing that. Talk about something else.

**Mr. Smallwood:** The hon. gentleman invited some of the talk on this subject and I would hate to deny so reasonable a request — To commemorate this very, very great event, perhaps the greatest event since we were discovered.

**Mr. Hollett:** I heard that before. I am tired of hearing that. Talk about something else.

**Mr. Smallwood:** The hon. gentleman invited some of this talk on this subject, and I would hate to deny so reasonable a request — To commemorate this very great event we have one thousand scholarships.

**Mr. Hollett:** Mr. Chairman, my colleague says it is the same record with a new voice, but I think it is the same voice there also. It is

rather strange to give Confederation Scholarships, it gives the impression that a grant from the Federal Government has been received, and it is not that. If it is that, it should go under Capital Account. As a matter of fact, why should it not go under Capital rather than Current Account? However that is immaterial. The Hon. the Premier is all out to talk Confederation and the blessings we have derived from it. I would like to inform him that I received a telegram from one settlement in Fortune Bay with 175 voters; that is about 5 or 6 hundred people, where the conditions are such they cannot fish — It is Seal Cove. I told you this morning — There is not one person there working, and they do not know where they are going to get enough to eat this winter. Now that is one place where it won't do any good for the Premier to get up and talk about the blessings of Confederation. Oh! Yes! They get the Family Allowances!

**Mr. Smallwood:** They get more than the Family Allowance.

**Mr. Hollett:** They don't all get the Old Age Pensions, Sir.

**Mr. Smallwood:** War Veterans, and Fishermen's Insurance, Unemployment Insurance.

**Mr. Hollett:** They will never get Fishermen's Unemployment Insurance — every man is unemployed.

**Mr. Smallwood:** They did get it this Spring or the past Winter.

**Mr. Hollett:** I don't think so. They used to work in the paper mill. They cannot work there anymore. There are lots of places around — This is no time for a speech, Mr. Chairman, I grant you.

**Mr. Chairman:** We are on Item 610, Scholarships and Bursaries.

**Mr. Hollett:** The Hon. the Premier was speaking about Confederation, the great blessing, the greatest event in all our history, Confederation.

**Mr. Smallwood:** These scholarships were given to commemorate these things.

**Mr. Hollett:** It is rather late. They should have been given before — \$250,000 for the scholarships. Nobody begrudges that, but I do not like the name, Confederation Scholarships. The Hon. the Premier should take into consideration there were a lot of people in this country in 1949, practically half the population, that did not then, at any rate, believe in Confederation. They might not like —

**Mr. Smallwood:** They like it now. I heard my hon. friend myself say, "we are all Confederates now."

**Mr. Hollett:** There is no question about that.

**Mr. Smallwood:** Not only have to be, but like to be.

**Mr. Hollett:** Why not call them the Smallwood Scholarships?

**Mr. Smallwood:** Thank you very much! I am a little too modest.

**Mr. Hollett:** We get the new building, Confederation Building — They will have Confederation breakfasts tomorrow morning and dinner and tea.

**Mr. Smallwood:** We have to have Confederation Park.

**Mr. Hollett:** Is that a Confederation Fountain?

**Mr. Smallwood:** We have to have Confederation Mountain, and Road and Avenue.

**Mr. Hollett:** I give in, Mr. Chairman.

**Mr. Smallwood:** That is hard common sense.

On motion, Item 610 carried.

**Mr. Hollett:** Under 611, Vocational Training, what is Supplementary Grants to High Schools?

**Mr. Rowe:** That is a new grant to high schools. I am glad my hon. friend raised that point, Mr. Chairman. That is based on the recognition that in of our new regional high and central high schools they are doing a measure of vocational training, particu-

larly commercial work, which previously was confined to two or three of the larger schools and colleges here in the city. And because of that the Federal Government (in our agreement, signed with them, by both Canada and Newfoundland) has agreed to recognize that as coming within the meaning of their Vocational Education Act, and they are reimbursing us for one-half that cost. Actually the cost will be only half anyway. We will be able to get back fifty percent of that, and that will go to the new schools concerned.

**Mr. Renouf:** Mr. Chairman, "Allowances to Students," what is the basis of that? What is that precisely?

**Mr. Rowe:** My hon. friend must know the vocational institute here in St. John's is a pretty extensive operation, with a good many hundred students coming here from all parts of the province, and many handicapped may go to learn new trades such as watch making and related things. This is a grant in aid. I think it works out to about \$30 a month. It is a grant the government makes to persons coming in, let us say, for instance, from St. Anthony to St. John's to attend the Vocational Institute and that \$30 a month is the grant we give them to enable them to meet some of the expenses. It does not meet all the expenses, obviously. The expenses would probably be \$60 or \$70 a month. It is in the nature of assistance to those students.

**Mr. G.R. Renouf (St. John's South):** And likewise the item (-07) Aid University Students (Token)?

**Mr. Rowe:** I am not too familiar with the details of that. It is not implemented yet but is inherent in the agreement signed last year between Newfoundland and Canada. I do not have the details at hand right now.  
On motion, Item 611 carried.

**Mr. Hollett:** How much was spent on handicraft last year?

**Mr. Rowe:** That \$30,000 is a straight grant to the Jubilee Guilds.

**Mr. Hollett:** I see!

On motion, Item 612 — Handicrafts —

Carried.

On motion, Item 613 — Adult Education — Carried.

**Mr. Hollett:** Before passing 614 — Grants — Mr. Chairman, I want to raise again the point I raised this morning about the pupils in Mount Pearl and Glendale who are going to find it very difficult to come in to school now that the bus fares have been raised. I have been informed that families will have to pay as high as six dollars a week to bring their children in from Mount Pearl — Glendale into the school they attend in the city. I believe that about three bus loads of children come in every day. Now we have here, under Item 614, Transportation of School Children — Regional High Schools and Board Schools — \$60,000 and \$38,000. Now, I have talked with the Transportation Board, and they have made it quite plain it would be unfair for the city of St. John's to subsidize the town of Mount Pearl — Glendale in this bus situation. But it is also pointed out to me that if they could be subsidized in some other way by either (they did not suggest the government either) the government or town council of Mount Pearl, they could reduce the fares so that the parents would not find it too expensive to get their children in here to St. John's to school. As I said, there are three bus loads of children coming in here to St. John's to school, and heretofore they were paying five cents a trip, ten cents a day per child. It has now gone up, I believe, to nearly thirty cents. So we can well see that a man on a small salary, with four or five children, cannot afford to pay six, seven or eight dollars a week to bring his children in here to school. They cannot get into school out there — there are not enough schools. So that, Sir, I am inclined to suggest to the Minister that he might consider some form of subsidy with regard to places like Mount Pearl — Glendale, with regard to bus transportation.

**Mr. Rowe:** Mr. Chairman, the only comment I can make is that, at the present time, the matter the Hon. Leader of the Opposition raised does not come under the two policies the government have instituted. Now I cannot, of course, commit the government to any future action. I do not know what the development will be. I appreciate it

is a problem, and I might say, it is a problem not confined to Mount Pearl and Glendale, but also other areas around St. John's.

**Mr. Hollett:** Very few.

**Mr. Rowe:** Quite a number, I think, if a census were taken of all the children who have to come in from the outskirts to the city schools. But, of course, that does not make the lot of the Mount Pearl—Glendale people any easier. The point is, these things have a way of being pretty universal, i.e. if the bus fares are raised here in St. John's by the City Transportation System it is only a week or so before other transportation systems raise their fares proportionately, and not only around the city but in other towns and communities in Newfoundland. I can only say the matter will be considered.

**Mr. G. Nightingale:** (St. John's North): Mr. Chairman, I would like to support the Hon. Leader of the Opposition. Mount Pearl—Glendale happens to be my district, and I happen to be in the City Council, and they own the bus company, and the people own the bus company, and they got an increase in fares, naturally to make the bus company pay. We must have something to make it pay. Now in regard to Mount Pearl, I would not be surprised if some of the outside buses came into competition with our local bus company. It is no trouble to get off Topsail Road and make a detour and pick up the rest of these children and my blessing to them in this connection.

**Mr. J.D. Higgins:** (St. John's East): Mr. Chairman, I believe that very thing is already in effect. I believe application has already been made to the Board of Public Utilities for an increase in fares—so that the situation is going to be aggravated rather than improved.

**Mr. Hollett:** The way I look at, this year the Department of Education will spend \$12 million on education. Now this situation suddenly arises. Surely the Department of Education could take care of a small matter—But I am only speaking for those people who made a complaint. I am glad the hon. member for the district supported me, because it is a serious matter. Take any man earning just an average income and he has

four or five children he has to take into the City go get their education, the education we are hearing so much about. He cannot afford to pay six or seven dollars every week just for transportation. If the education policy of this government is such we cannot take care of such a small matter as that, then there is something wrong with the policy. I am quite sure the Minister sees that. I appreciate the point that he cannot decide right here. It is just as well for us here, in the government or outside the government, as the case may be, to take into consideration, if we are going to help people to the extent of \$90,000 for transportation for Regional High Schools, then we have to help these children too.

**Mr. Rowe:** Mr. Chairman, there is just one point I think I should make there, bearing on this matter. Right now, as it happens, the three larger denominations of the city are either building or have built or are about to begin to build a Regional High school which will serve St. John's and surrounding areas. As my hon. friend knows, on the 15th of this month the new Roman Catholic High School for Girls is to be dedicated; and the Anglican High School is in course of construction and only this morning I heard from Senator Pratt, the Chairman of the United Church School Board of St. John's that they have planned to begin immediately a \$1 million high school for United Church students for this city. Once they are in operation, and certainly all three will be in operation by next September, as soon as these are in operation I must assume the Boards concerned will be making the usual application to the government, through the Department of Education, for the assistance which they are assured under the government's Regional High Schools policy, i.e. 75% of the total cost of transportation. So that I would think some, if not all, the students concerned at Mount Pearl and Glendale and other areas too will probably come under one or other of the regional high schools in their transportation scheme when implemented.

**Mr. Hollett:** Then, Mr. Chairman, there is no question whatsoever, if little Johnie Jones in Mount Pearl wants to come to the high school here he will have bus transportation to 75%; that is correct is it not?

**Mr. Rowe:** I might point out that regional high schools take only high school grades. I think that most of the children are in high school grades, because there are smaller schools which look after the elementary students.

**Mr. Smallwood:** Anyway he won't be little. He will be in Grade IX at least.

**Mr. Hollett:** You will pay his bus fare?

**Mr. Smallwood:** No!

**Mr. Hollett:** No?

**Mr. Smallwood:** No! Absolutely not!

**Mr. Hollett:** What is this \$98,000 for?

**Mr. Smallwood:** There is the makings of a grand misunderstanding right there and tragic. It would not do Newfoundland any good at all to have this matter misunderstood. The government are not engaging any buses anywhere in this province to convey school children to or from school, not one bus, and are not going to either. But there are cases where school boards can save money by closing down schools and conveying their students to some central high school or regional high school. There are cases like that — There are several. Now in the last three or four years several (the first one was Petty Harbour and the next one, I think, was Port au Port) school boards, not the Government of Newfoundland, the school boards, the Roman Catholic School Board or the Anglican School Board or the United Church School Board or the Salvation Army School Board or the Pentecostal School Board decided in their wisdom, not ours, in their own wisdom, they would close a school in a certain place and have the children who were attending that school now taken to another school where they could save money by doing it —

**Mr. Hollett:** You would contribute?

**Mr. Smallwood:** We would contribute towards the cost of their operating a bus — not our operating a bus. They hire a bus, they bring the children to the school and it costs them money. We have nothing to do with it except to make a contribution to-

wards it; as I said, there is a saving on the Treasury. We laid down the law at the very outset, trying to work out a formula, because the school bus idea in Nova Scotia and New Brunswick and Prince Edward Island has grown to frightening proportions, absolutely frightening, from a small beginning. Before they knew it, the problem of transporting children to and from school was costing the governments of these provinces almost as much as it was to own and operate schools. They warned, they sent warning down to me, each of the premiers in turn, three of them — "tell so and so, for Gods sake! don't start getting into the school bus system or in two or three years they will be spending millions." So that made us think furiously; and we rejected the first request we had until we could work out a formula. The formula is that we will contribute only where it represents an actual cash saving to the Treasury of Newfoundland. The last thing on earth we want is for the idea to get around Newfoundland that we are willing to start hiring buses to bring children to and from school. That could cost \$4 or \$5 million a year. It is up to the best part of \$100,000 when we are just making contributions, at a saving to the Treasury. In the case of regional high schools this goes a step further.

**Mr. Rowe:** But there is a saving there too.

**Mr. Hollett:** Then it is quite simple: All the Boards in Mount Pearl—Glendale have to do in order to take care of these children, they have to build new schools, even if it is going to cost a lot of money. Where you can save money, you will contribute.

**Mr. Smallwood:** It is the exact opposite of what I said. I said where they were closing schools and spending less money. Then the hon. gentleman said:— all the Boards have to do is go ahead and build a school.

**Mr. Hollett:** They have been closed out there, if they were ever out where they are, they have been closed, these schools. Three bus loads are coming to school out here. They have to come into the city.

**Mr. Smallwood:** They were not closed.

**Mr. Hollett:** They were never their's to close.

**Mr. Smallwood:** There has to be a saving on the Treasury.

**Mr. Hollett:** I am quite sure the Hon. the Premier does not want to fool me. That is what I feel about it. Here you have a situation which has arisen, or which is arising very shortly, where the school board out in Mount Pearl—Glendale will want to make arrangements for a bus system which will transport children to the city. The government are not going to contribute the cost and consequently it is almost impossible for these parents to keep these children to school. No less than a half dozen householders out there have been in touch with me by phone and otherwise, over the week-end, and they tell me it is going to be well nigh impossible for them to pay these bus fares to get their children in here. Well, why do they not send them to school out there? Because there is no room for them. That is a point, I think, the government should take up. I am doing this without any acrimony whatever. I am asking the government, and the Minister of Education particularly, to go into the matter.

**Mr. Smallwood:** What is the hon. gentleman asking us to consider?

**Mr. Hollett:** Some contributions towards the cost of bringing those students from Mount Pearl—Glendale to school.

**Mr. Smallwood:** We have never done it since Newfoundland began.

**Mr. Hollett:** You are doing it here under this.

**Mr. Smallwood:** We are not. We definitely are not, Mr. Chairman. We have had experience in recent days which makes it absolutely imperative, somehow or another, to get it realized by the Hon. the Leader of the Opposition and all his friends and by the members on this side of the house and all our friends and all the people of Newfoundland, to get it realized somehow or another, there is only one school in all Newfoundland the Government of Newfoundland has, and that is the University. We do not own any other school. The Churches have a lot of schools in Newfoundland, hundreds upon hundreds of them, the Churches of

Newfoundland. It is the Churches who provide education to the children, nobody else, just the Churches. The Government through the University, and Mrs. Perlin through an organization for retarded children, and I think a private school where they teach little tots, three schools in Newfoundland that are not owned and operated by the Churches. All the schools are. It is the Churches who provide education in Newfoundland and not the Government. It is the Churches who have taken upon themselves the responsibility.

**Mr. Hollett:** Surely \$12 million.

**Mr. Smallwood:** Wait a minute! I know the hon. gentleman does not understand. I am trying to make him understand. It is the Churches that build the schools. It is the Churches that own the schools. It is the Churches that hire the teachers. It is the Churches that operate the schools. It is the Churches that make school policy. All the government does, all it does, is to contribute cash — nothing else. We come into the house to vote certain sums of money to be paid over to the Churches. The government does not own any schools, hire any teachers, employ any, pay them any salaries. We do not own any school property. We don't own any schools.

**Mr. Hollett:** Who pays their pensions?

**Mr. Smallwood:** There is a contributory scheme administered by the government and the government contributes towards the cost of it.

**Mr. Hollett:** Why?

**Mr. Smallwood:** In the public interest we contribute to Churches in the building of schools, in the public interest, because children must get an education. If the government are not running the schools and the Churches are, the least the government can do is assist them.

**Mr. Hollett:** Exactly what I am asking them to do here!

**Mr. Smallwood:** We will assist the Churches. Why do not the parents of the children concerned go to the churches, go



to their respective churches and ask them, through their respective school boards, because the school boards are only expressions of Churches, selected by the Churches, the government do the purely formal thing of appointing them at the request of the Churches; so that if the parents of these children want school buses the place to go in the first instance is their school board, who in turn will go to the respective Churches, who in turn may come to the government and ask for a financial contribution — But we do not deal with anyone but Churches in education matters.

**Mr. Hollett:** That is a mistake!

**Mr. Smallwood:** It may be a mistake but that has been the case for 400 years in Newfoundland.

**Mr. Hollett:** Our history only started ten years ago.

**Mr. G. Nightingale (St. John's North):** I am glad you made that explanation to the Hon. Leader of the Opposition. It is to help the Churches with their schools — That is what it is — I will pass that along to the Mayor of St. John's.

**Mr. Smallwood:** It has nothing to do with St. John's.

**Mr. Hollett:** We understand clearly, Mr. Chairman, it is a matter for the Churches to take care of the situation in Mount Pearl—Glendale, acting through their school boards. I want that expressedly known both here and outside.

**Mr. Smallwood:** So do I.

**Mr. Hollett:** To approach the government to request some assistance in regard to getting these children to school.

**Mr. Smallwood:** Not only that, if any public man in Newfoundland disagrees with that position he won't be a public man for long.

**Mr. Hollett:** Why?

**Mr. Higgins:** Mr. Chairman, may I ask why the grant to Dalhousie is so large?

**Mr. Rowe:** Mr. Chairman, the answer to that, in short, is that Dalhousie trains virtually all and educates virtually all doctors, dentists, and lawyers (practically) in Newfoundland.

**Mr. Smallwood:** Leave out the lawyers, doctors and dentists.

**Mr. Rowe:** If Newfoundland had to do it — We could not do it anyway — we have not the facilities. If we did have to do it and set-up the machinery, the cost would be very many millions in capital and running costs. Dalhousie does that job, and does it very excellently, and we do not pay enough to cover what Dalhousie is set back by training these Newfoundlanders. Everybody knows a student pays a thousand in fees, probably one-half or less of what it costs the university to educate him. That is the answer. It is recognition on the part of Newfoundland of our indebtedness to Dalhousie University.

**Mr. Hollett:** In 1957-58 it was so much — Why the increase? That is what we are questioning, and not the propriety of the grant.

**Mr. Rowe:** All four Provinces of the Atlantic Region were assessed on a pro rata basis. That explains that increase this year.

**Mr. Hollett:** On 615-30-08 Documentary Films, what has that to do with education? Could somebody tell us? What documentary films are referred to?

**Mr. Smallwood:** Any films that might be made.

**Mr. Hollett:** How much was spent last year?

**Mr. Smallwood:** Not very much. \$10,000 I think.

**Mr. Hollett:** 1956-57, \$38,000.

**Mr. Smallwood:** Yes, they made more then than now. The only film made in the last two years, I think, was "Happy Union".

**Mr. Hollett:** What has that got to do with education?

**Mr. Smallwood:** Well, the hon. gentleman

asked for it — No I won't. I am on my best behaviour. We have to put it through some department.

**Mr. Hollett:** I think it is a pity to charge it to Education. It is \$21,200 — \$500 cut out for some reason or other.

**Mr. Rowe:** My understanding is that that is an amount still owed on films.

**Mr. Hollett:** Could the Hon. Minister tell us how much was paid Atlantic Films last year?

**Mr. Rowe:** I don't know.

**Mr. Smallwood:** None. They are complaining bitterly we are not going to give them more work to do.

**Mr. Hollett:** \$21,000 was it?

**Mr. Smallwood:** I don't think so — Not that much.

**Mr. Hollett:** Radio scripts, are they made here in Newfoundland?

**Mr. Rowe:** No. They are education films strips which are purchased by the department for circulation to the schools of the province, most of the bigger schools; indeed, nearly all the schools in the province have visual education programmes whereby they show education films, for instance, lessons in geography may well be followed by short films. Most schools have programmes, and the department has a library down there.

**Mr. Smallwood:** Well worth seeing.

**Mr. Hollett:** Could the Minister tell us how many machines there are throughout the country to show the films?

**Mr. Rowe:** Not off-hand — a very considerable number.

**Mr. Smallwood:** Around 100. There are a million people a year who see these films, mostly school children.

**Mr. Higgins:** You have the Film Council?

**Mr. Smallwood:** Yes, through them they

are shown to adults, and in connection with them are shown in the schools.

**Mr. Rowe:** Mr. Chairman, there is hardly a big school in Newfoundland today which has not its own projector. They cost \$1000 or less. Nearly all big schools raise the money themselves through voluntary school organizations and that kind of thing. In fact, some schools probably have two.

**Mr. Hollett:** What is the amount for radio education there?

**Mr. Rowe:** These are really programmes. If my hon. friend listens to the radio at certain times during the day he would hear school lessons being broadcast, French, Geography, and History.

**Mr. Smallwood:** Some of the scripts have been written here in Newfoundland, not only for presentation here in Newfoundland but three or four, I believe — Mr. Harrington has written some of them.

**Mr. Rowe:** In fact, our work in the past year, one for example, was regarded as the most outstanding piece of work done in the Atlantic area last year — It was done in Newfoundland.

**Mr. Hollett:** Are they slanted Confederation-wise too?

**Mr. Smallwood:** Well, they all boast Canada.

On motion Item 615 — Audio Visual Education — Carried.

On motion Item 616 — Public Examinations — Carried.

**Mr. Higgins:** What is this? Encouragement of Cultural Activities?

**Mr. Smallwood:** That is Arts and Letters.

On motion 617 — Encouragement of Cultural Activities — Carried.

On motion 619 — Curriculum Services — Carried.

On motion 621 — Alcohol Attendance — Carried.

On motion Department of Education VI — Carried.

**FISHERIES ESTIMATES:**

**Mr. Smallwood:** The Minister of Fisheries would like to have his estimates now, so that, if the house passes them he will be able to leave the city on public business in connection with Fisheries. That is only if the Committee agrees to his estimates! If they do not so he will not have any money to go.

**Hon. J.T. Cheeseman** (Minister of Fisheries): That is right. Mr. Chairman, this is the first time that I have had the privilege of presenting the estimates of my Department, since becoming Minister of Fisheries. Hon. members will possibly remember that, due to the pressure of public business last year, the estimates of my department were presented by my colleague, the Hon. Minister of Mines and Resources. It is not my intention now to wade through them, even though there are very few items in my department, a department where I do not have a great deal of money to spend. However, if there are any questions concerning any of the votes I shall be very happy to do the best possible to satisfy any hon. member, as we go along.

Now, Mr. Chairman, before I go into any further detail, I would with your permission, like to say a word that does not bear exactly upon the estimates, but it is fisheries. I hope you will give me the opportunity of a word of explanation to the Hon. Leader of the Opposition in regard to a question which he asked this forenoon about Seal Cove in Fortune Bay. The Committee will remember that he asked if my department received any representation regarding necessary work at that place to facilitate the fishery. I informed him that we had not, which is quite correct. During lunch time I talked with the Hon. Speaker, who is the member for the District, and he tells me that, being a federal matter, it is under consideration and that he has discussed it with the federal member for the district, and they hope to have something done about it. Thank you very much, Mr. Chairman, for the opportunity to make that explanation to the Hon. Leader of the Opposition.

**Mr. Hollett:** Mr. Chairman, may I ask a question on that, of the Hon. Minister? Did he make also an inquiry about the condi-

tions of the people there at the present time?

**Mr. Cheeseman:** I do happen to know that conditions generally in that area are at the present time very deplorable. They have had a bad season at Seal Cove, and I am quite sure that conditions are not very good at this time.

**Mr. Hollett:** Mr. Chairman, if I may ask, while the Minister is on that point — I want to raise the point taken by the Hon. Mr. Carter, the Federal member for the district in the House of Commons where he said fishermen had to leave Seal Cove to go in the mill to work, and they were now laid off and had to come back to fishing in places where they were not able to fish. I do not know if that is the reason why they left the place or not.

**Mr. Cheeseman:** Mr. Chairman, we seem to have gotten into a longer discussion than I intended when I asked your indulgence. With you further indulgence, I think it is not quite correct to say all these people who left Seal Cove to go to the lumber woods did so because they were unable to fish. They have been going from Seal Cove to the lumber woods for many years. In fact, I believe it is a matter of record the crack woodsman, the woodsman who owns the record as to the greatest number of cords of wood in one day is a resident of Seal Cove. They have been going to the lumber woods for many years, but the situation has been aggravated this year, as the Hon. Leader of the Opposition says, by the fact that such work is scarce.

The expected expenditure on Current Account in my Department is \$546,900 but this estimate includes \$193,000 for expenditure by the Fisheries Development Authority. I understand that in previous years the expenditure by the Fisheries Development was included in Capital Account, included last year, I understand, under sub-head 1444-02. So that, on a comparative basis, the proposed total of expenditure this year will be \$56,500 more than last year. It will however be observed there are two new items which previously did not apply. This house will remember that, earlier in the session, a Bill was passed granting a bounty for

rebuilding and repairing of ships; so that I have included an item of \$100,000 to take care of bounties. There was also an item of \$7,200 under exhibitions. My information is that, in previous years, the grant to cover the exhibitions, including fisheries, was taken care of by Municipal Affairs or rather Provincial Affairs, but that last year they did not, for some reason, include the amount expended by the Department of Fisheries, and this year we are asking for a vote in our department to take care of our expected expenditure in connection with these rural fairs and exhibitions.

In other headings, as will be seen by reference to our estimates, there have been certain changes whereby we have made some saving so that, whereas there is \$100,000 for bounties on rebuilding and repair of ships and \$7,200 for exhibitions, yet our total estimate is only \$56,500 more. Our proposed expenditure on Capital Account is reduced by \$643,000 as compared to last year.

Mr. Chairman, as I said at the beginning, I will be very happy to do my best to answer questions regarding the details of any proposed expenditures. But, before I sit down I think it might possibly be of interest to the hon. members of this Committee, and perhaps to some others, if I were to make some reference to the current seasons fishing operation and the outlook. Mr. Chairman, it is now evident that the current cod-fishing season is going to be an extremely disappointing one, both in regard to quantity and the prices realized. This matter of a disappointing price is particularly true of dried salted cod. As the result of an unusually mild winter, fishing of all kinds started earlier than usual, and this, together with the fact that because no alternative employment was available, resulted in an increased number of men returning to the fishery. It is said in some quarters that there were probably from two to three thousand additional men in the fishery this year as compared to last year. I cannot vouch for this figure, but there might have been as many as two thousand. When we first heard that there would be an increase in the number of fishermen, we naturally expected that there would be an increased catch of fish, and indeed that gave rise to some worry as to how we might dispose of it. Unfortunately, however, for the fishermen

and for the general economy of the province, the fishery has turned out to be a very disappointing one, and despite the increased number of fishermen the total landed weight will be, as of this moment, considerably less than it was at this time last year. On the basis of the best information available to me, I should think that we will have at least 50,000 quintals less than we had last year. As a result of the very bad fishery (and of course as always it was much worse in some sections than in others) many of our fishermen come to find themselves at the end of the season heavily in debt. Indeed, furthermore, many will not have had sufficient fish to enable them to get enough stamps to obtain Fishermen's Unemployment Insurance. So that, by and large, I am sorry to have to say that I feel it has not been a very good year for fishermen and that the immediate outlook for them is not particularly good.

The Labrador fishery, however, was better than usual both in regard to quality, quantity, and price. The salmon fishery continues to lessen every year. Salmon, for some reason, seem to be getting scarcer in our waters. As is generally known, I expect, Mr. Chairman, practically the whole of our lobster catch is marketed in the live state and practically the whole of the salmon catch is marketed fresh in ice. Both lobster and salmon are luxury products and therefore usually can be relied upon to fetch good prices.

Mr. Chairman, if I may, I would like for a moment to touch upon the marketing situation in regard to salt codfish. The fact is that our product, our salt codfish, is meeting with ever increasing competition from foreign countries. The situation is worsened by the fact that many of our traditional customers for centuries, down through the centuries, particularly Portugal and Spain, are now producing their own salt fish. A matter of twenty-five or thirty years ago, for example, Portugal imported more than 50% of their total consumption of salt codfish. Today she imports less than 25%, and I read some time ago, somewhere, that she was hoping that, by 1962, I think it is, to be providing sufficient for their home consumption. This situation has been further aggravated with exchange difficulties, the difficulties of getting money from many of

the foreign countries that usually purchase our fish. This is particularly true of Brazil. I am sure that even the youngest members here today will have heard of, if they did not have their own knowledge, that for some 300 years, anywhere from 200,000 to 300,000 quintals of dried fish were exported to Brazil from Newfoundland. Brazil was indeed one of our chief markets. In recent years we have only been able to make a token shipment to that great country. That, Sir, is because of the exchange difficulties. I do not know what can be done to alleviate that situation. However, the matter of foreign marketing, the matter of foreign exchange, these are matters that come within the scope of the Federal Department of Trade and Commerce. I feel quite sure, Sir, that they are conscious of the difficulties. Indeed I might say that I have brought it to their attention more than once, and that I have found the Minister of Trade and Commerce to be sympathetic, and I believe that they are doing their utmost to try and improve our position in that respect.

Now, Mr. Chairman, I dare say there are those that will not agree with me, but in my opinion the most notable event that occurred this year in connection with the marketing of salt codfish was the recent announcement by the Federal Department of Trade and Commerce that the monopoly which has been enjoyed since, I believe, 1946 by the Newfoundland Association of Fish Exporters Limited, commonly known here as NAFEL (they have enjoyed the monopoly I believe, since 1946 the Minister of Trade and Commerce recently gave notice this monopoly will terminate as of July 31st 1959. It is my hope, and indeed I have every confidence, that in the meantime a more progressive form of marketing that will be more representative of all the interests concerned will have been worked out before July 31st next. It is certain that we cannot, and must not, go back to the old cut-throat system of by-gone days, for various reasons, but particularly because in most foreign markets today you have central buying. In most cases the purchasing in the industry (fish) is controlled one way or another by various government agencies and our exporters have to deal with organizations rather than individual buyers, as

used to be the case years ago. For that reason alone we must have a strong central selling organization in this province. But it is my conviction, and I have expressed this on many occasions and during the time that NAFEL has existed, that such an organization should not be made up only of the few exporters; that such an organization must at least have representatives of the fishery and indeed, speaking for myself, I think there is a proper place in such an organization for representatives of both the Federal and Provincial Departments of Fisheries in the marketing of our fish — this is very important to this province and the fishermen who produce it certainly ought to have some say in what happens to it after it has been produced.

Now, Mr. Chairman, I move on to the frozen fish business. I am happy to say that I am able to speak with a great deal more optimism about both the present and future of the frozen fish industry than I have been able to speak in connection with the salt fishery. For a number of years, between 1950 and the beginning of 1957, there was an over-supply of frozen fish pushed on the United States Market. The United States Market is the chief market for frozen fish, particularly for frozen fish produced in Newfoundland. Fortunately, at the beginning of 1957, the supply situation began to show every real sign of improvement and continued to improve to the extent where in the past few months the position has been almost reversed. That is to say, they are now experiencing on the United States Market a shortage of supply rather than an over supply as was the case less than a year ago. Naturally this short supply has made for an improved demand and for an improvement in prices.

However, Sir, in my opinion, the main and most encouraging factor is the improved demand. There has not been any spectacular rise in price. Indeed, it would not be well that the prices should get out of hand, because then you would run into a loss of consumption. Prices have, however, improved and these improved prices are now being felt by our fishermen as well as by the owners and operators of fish plants. I believe that, despite the shore catch this year, the frozen fish operators will this year get out of the red on the seasons operations.

That most of them have not been able to do for some time. I firmly believe that this favourable situation in regard to frozen fish will continue, as far ahead as I can see it at any rate; and I see no reason why it should not be continued, barring any international upheaval or such like, why it should not continue indefinitely — If only our producers will use good common sense and ordinary business judgment and do an intelligent job of marketing, pay more attention to advertising and promotional work.

Fish, in my opinion, Mr. Chairman, is one product that has never yet, in this or any other country that I have ever known, been properly merchandized. When I say that I mean, take a look at what has been done by the meat markets, by the poultry people, by the fruit people. In order to create a demand, all of these industries have spent large sums of money on advertising and promotional work. That, Sir, is even more necessary in connection with fish than it is with grapefruit or other fancy, more luxurious foods. At the moment Newfoundland's frozen fish industry is suffering from capacity. It is perhaps not generally known, but we have a freezing capacity in Newfoundland at this time for approximately 120 million pounds. The highest we have yet reached is just under 63 million. Based on figures most recently available to me, I estimate that this year's production will be somewhere of the order of 58 million pounds. Now I am sure hon. members will appreciate that this constitutes a very heavy charge upon business, when they are working at about 50% capacity. Up to the present time, even if the fish had been available, it would not have been sensible to have pushed production to the extent of our capacity. I hope, however, that by 1960 it will be possible to produce markets profitable, sufficient to use up most of our freezing and handling capacity.

Our frozen fish industry is confined almost entirely to ground fish, cod, sole, haddock and red fish. Within the past five years some very important things have happened in connection with the production of ground fish. For reasons which I am unable to explain haddock, which were prolific on the St. Pierre Banks and other banks five or six years ago, have practically disappeared. Rose fish have virtually disappeared from

St. Pierre Banks and from many other areas where they were formerly quite plentiful. They have become scarcer in the Gulf of St. Lawrence. Fortunately, however, new areas or banks have been found, but these are long distances from the home bases, either in the United States, within the Maritime Provinces or Newfoundland. This means that in order to reach these fishing distant waters, larger and more expensive draggers will have to be acquired. That will entail greater capital expenditure. But, Sir, there is a better side, and that is the fact that the fish sticks, which started out with such a "bang" ten years ago and almost petered out three or four years ago have come back with a "bang". All the weak producers, I believe, have been washed out of the business and it is now in strong hands. I believe that is one division of the frozen fish business that has a tremendous future, Sir; for this fish stick business, codfish is an ideal product. That means that there will be a greater demand for fish that will be produced by our inshore fishermen and by our long-liner fishermen; in other words, the fish that can be produced in and around our coastline.

The long-liner is a very important addition to our fishing industry. But, Sir, long-liners that are suitable in one area of the province are not necessarily suitable in other areas. In the past, I think because of our lack of experience, mistakes were made by some people in acquiring long-liners that were too small and in some instances too big, and in a number of instances altogether too expensive for the type of fishery that they were able to prosecute. I think these difficulties are being ironed out, and I predict that we shall have an ever increasing fleet of long-liners that will be more efficient and more adaptable to the various fisheries than those presently in operation.

In speaking of long-liners, before I close, Mr. Chairman, may I just remind the house of the value of that particular type of fishery. On Friday last I visited Trepassey, and in the later afternoon, when the fleet started to come in it would do one's heart good to see them. There was a fleet of about twenty little long-liners, known to us from the South Coast as "Jack" boats, that came to the plant at Trepassey of Fishery Products and between them handled approximately 120,000 pounds of fish. These long-liners,

Mr. Chairman (and the fleet contained I may say one or two dories) came from the District of Burgeo and LaPoile. These were men who fished on the home grounds and nearby grounds from December usually through April. Then, after they finished the winter fishery they would go on to Cape Breton and fish over there. Some of them returned in the early Summer and then would come on to Trepassey, so that they fished approximately twelve months of the year. Mr. Chairman, the interesting thing about it, as I saw it in Trepassey on Friday, was that these twenty boats from the District of Burgeo and LaPoile long-liners fishing out of Trepassey, it is these boats that are making it possible, at this time, and have been making it possible since the close of the trap-fishery, for the Fisheries Product Plant at Trepassey to operate and provide labour for more than 100 of the citizens of Trepassey.

Mr. Chairman, I do not intend to delay you further. I am sure everybody here is getting tired of speeches, and I, of course, do not profess to be the one who can make speeches in such a manner as to entertain you. But I do feel a brief reference to conditions generally in the industry, as I see it, might be of some interest — I repeat that the outlook for the salt-codfishery is not good — I wish I could say that it was better. I feel that the Federal Government of Canada is going to have to do a great deal more to make it possible for our saltfish industry to survive. I believe, however, that our frozen fish industry has a great future; and I am quite sure that you younger men here will see that development takes place during the years that lie ahead, and that the people who stick to the fishing, and who are in places where they will be able to dispose of their catches to fish plants; and because of the changed patterns of fishing it will, I believe, be economically possible to operate plants in areas of this country in future years where it would have been disastrous to have attempted operations in the past. I feel that we may look forward to the fact that those fishermen who are able to engage in fishing and sell their catches to the fresh fish producers will be well repaid for their efforts and their courage. Thank you, Mr. Chairman!

(Applause)

On motion that the Committee recess for ten minutes, Mr. Chairman left the Chair. Mr. Chairman, resumed the Chair.

**Hon. M.M. Hollett** (Leader of the Opposition): Mr. Chairman, if I may, I would like to say a few words before proceeding with the items, in view of the fact that the Hon. Minister of Fisheries gave us a pretty good statement on the whole situation with regard to the fisheries, throughout Newfoundland. While he did lay quite a bit of stress on the fresh frozen fish industry that may be all very well, but I want to point out here that the frozen fish business today, according to questions I have the answers to here — from the government, there are only about 300 fishermen involved in the fishery in the fresh frozen fish business, in long-liners, about 300. That is all.

**Mr. Cheeseman:** Are these the draggers only? Long liners are different.

**Mr. Hollett:** The question was — "What is the estimated number etc. in the fresh frozen fish plants and how many fishermen are employed on the several trawlers and draggers operating out of Newfoundland ports?" The answer is that the estimated number of people employed in the plants at the present time is 1150 persons. Now most of these, you know, or a good many are ladies — women. In the various fresh fish plants in Newfoundland the number is 1150 people altogether. The estimated number of fishermen is 300 men.

**Mr. Cheeseman:** That does not include the long-liners.

**Mr. Hollett:** No, draggers and trawlers. They catch the most of the fresh frozen fish that is processed, I would say. Give them half. That is last year, when I believe they processed 57 million pounds. Well, give them 25 or 26 million pounds, only 300 men, 300 fishermen are involved. There is this Federation of Fishermen with perhaps 15,000 men depending on the salt fishery. There is the rub as far as the fishery is concerned.

**Mr. Cheeseman:** A lot of these fishermen will word in processing plants.

**Mr. Hollett:** Let us hope.

**Mr. Cheeseman:** That is what happened so far. Take Trepassey. There is one boat fishing out of Trepassey.

**Mr. Hollett:** In some of the plants, it has not happened. I asked a question of one of the hon. members opposite as to how many quintals 57,000 pounds would come to, and he thought it would be somewhere around five hundred or a thousand quintals; something like that. I do not know whether it would be quite as much.

**Mr. Hollett:** In other words, about fifty-fifty. One "fifty" takes care of about 12,000 fishermen and the other "fifty" takes care of just a few hundred fishermen.

**Premier Smallwood:** The hon. gentleman is completely wrong. That is completely wrong.

**Mr. Hollett:** Is he? Then what is the sense of asking questions?

**Mr. Smallwood:** There is some misunderstanding. It is nothing deliberate.

**Mr. Hollett:** No misunderstanding — a question answered.

**Mr. Smallwood:** It is a misunderstanding, you will find. The number of men and women combined who work in and around the frozen fish plants, who work on company owned boats that bring fish to the plants and inshore fishermen who bring inshore codfish to these plants runs to about 10,000 people or close to it.

**Mr. Hollett:** Nonsense!

**Mr. Cheeseman:** What is the date of that?

**Mr. Hollett:** This was given by the Minister of Fisheries in answer to Question No. 65, this year, dealing with 1957.

**Mr. Cheeseman:** In any case there is this about it — mechanical fishing required less men — and it is by mechanical fishing that the fresh fishing has to be done.

**Mr. Hollett:** I am not saying anything

against the method employed in this thing. There were not 12,000 fishermen last year. I think that is one record from the Federation of Fishermen.

**Mr. Cheeseman:** Notwithstanding, their figure is too high.

**Mr. Chairman:** Order! Please! I allowed the Hon. the Minister of Fisheries to introduce the estimates by making some remarks, and I do not deny the same right to the Hon. Leader of the Opposition, who also wished to make a few remarks. But it seems to me we have gone out of the section under discussion altogether and we have gone into a debate other than what is supposed to be here under Section 1401.

**Mr. Hollett:** Well, I want to congratulate the Minister, because I don't think anybody else on that side, or this side either, knows more about the fishery than he does. I want to congratulate him on a few things but want to pick up a few things. I will bring them up as we go along, Mr. Chairman. What is wrong, Mr. Chairman, why was not the Deputy Minister's salary in that important Department raised with the other four that were referred to the other day? Could the Minister tell us that?

**Mr. Cheeseman:** The Department of Fisheries is being run very economically. We all take low salaries there. On motion, Item 1401 — Minister's Office — Carried.

**Mr. Hollett:** What is 1411 (03) Conventions (token) \$100?

**Mr. Cheeseman:** That is a token vote, if we decide to attend any fishery conventions during the year, departmental.

**Mr. Hollett:** It has nothing to do with the Federation of Fisherman?

**Mr. Cheeseman:** No!

**Mr. Hollett:** What is the increase of \$1000 in the Newfoundland Fishermen's Federation?

**Mr. Cheeseman:** In 1957-58 the Federation is supposed to have had a very difficult year



on their finances, and requested the increased grant just for this year only.

**Mr. Hollett:** I take it Storm Damage (token) \$100 is just in case we do get a storm?

**Mr. Cheeseman:** That is right.

**Mr. Hollett:** "Pump Bounties", to what does that refer?

**Mr. Cheeseman:** The Department of Fisheries has for years been paying small bounties (a total of \$50) to encourage fishermen who purchase a pump of the type approved by the department. They will receive a contribution of \$50 towards the cost.

**Mr. Hollett:** That is something I wanted to know because (I don't know if the Minister remembers this or not or has any knowledge of it) this summer an emergency arose with regard to four trap fishermen in Pouch Cove, or rather Pouch Cove. They had their trap full of fish, with forty quintals of fish in it, but the hoists — and you know they have to have hoists there to get the fish up over the cliff — gave out and they came in looking for one. They could not find one anywhere. They came to me eventually. They tried the Fisheries Department. No go! They tried the Federation of Fishermen. No go! The Fisheries Loan Board. No go! Mind you, this only costs \$380. The Federal Department of Fisheries. No hope! I tried one or two other fishery associations but the answer was no, we have no vote. We did try the \$75,000 a year people, the Fisheries Development Authority. They said they had no money whatsoever to spend on loans to anybody. Now, that does not agree with the statement I got from them the other day; of course, as you know, they loaned all together \$4 or \$5 million. But here were four fishermen in Pouch Cove, with a trapful of fish, their hoist gave out and there was not \$380 to buy a new hoist. We eventually got a loan of one up in Witless Bay. Now, I do not think that is a situation which should be allowed to happen, with the government Department of Fisheries or anybody else. I just bring it to the attention of the Minister to see what he has to say about it.

**Mr. Cheeseman:** Mr. Chairman, the provi-

sion of facilities such as the Hon. Leader of the Opposition just mentioned, hoists — That is one of the things done by the Federal Department of Fisheries. They provide such things as hoists, winches, slipways. Now, it is a fact that there are times when I am quite sure people must be confused as to what functions are federal and which are provincial. Things that are normally provided by the federal department we do not have any means, we do not have any vote for and we are unable — I remember very well that the Hon. Leader of the Opposition mentioned it but we were unable to do anything with it. If we start in — provincially — to do work or make expenditures that should properly be made by the federal people, I think, as all hon. members will appreciate, we would get into a very difficult position, and one which might not be desirable. As far as we are concerned in the Province of Newfoundland, there must be a division somewhere, and we try to do the best we can. The Federal Department of Public Works, not Fisheries, for some reason not known to me has responsibility, and that is why, in the provincial department, we have no provision for such things.

**Mr. Hollett:** Emergency! I do not see why we should have a Department of Fisheries at all, Mr. Chairman, if the Department of Fisheries cannot take care of emergencies in such small matters, small in one sense of the word — Four very fine fishermen — We are trying to keep our fishermen fishing, trying to persuade them to go into the fishery — But they came to every department of government they could find here in St. John's, Federal and Provincial, and they would not risk \$387 to buy a new hoist to save this amount of fish.

**Mr. G. Nightingale (St. John's North):** Mr. Chairman, that happens to be my district, Pouch Cove. I think experience has taught me if you ask the Federal Government for a steel cable or winch to hoist fish up you will not get it. It is not in the vote. If you ask to pull a boat up, alright. I will just say in passing, if the people in my district who have to hoist fish ask for a winch to hoist a boat up they will get it.

**Premier Smallwood:** Mr. Chairman, I am quite sure that the Hon. Leader of the Op-

position still does not understand the position. Either that or he does and lets on he does not. Now the hard fact of the matter— Sir, this is a fact. This is not a piece of poetry, it is not an airplane, it is a fact. The Government of Canada and only the Government of Canada, in Canada is responsible for the provision of those services. If anyone, anyone at all, in Canada, including Newfoundlanders, go to the Government of Canada, asking them or any Minister of the Government of Canada or any Department of Canada or any official in any Department of the Government of Canada to do something which is provincial in jurisdiction, they will get the very short and very quick answer — Got to your Provincial Government — they are quite right and proper. By the same token, when the Government of Canada is responsible for giving the people of Canada a certain service, the Government of Newfoundland would be extremely ill-advised to start competing with the Government of Canada to provide that service. If that is a federal service let the Provincial Government keep out of it and stay out of it, strictly stay out of it.

Now, to stand up here in this house and say, notwithstanding that general rule, here is a case of a bunch of fishermen up against it, and should not the Provincial Government make an exception there. No! Neither there nor anywhere else, because if it made one exception there is no reason in this world why they should, ever thereafter, say "no" to any fishermen anywhere at any time. If they once say "yes", if the Government of Newfoundland once provides a service which is not their function to provide, and is the function of the Government of Canada to provide, if we once provide it, how then can we ever thereafter say no? Now, my hon. friend knows that is sound. He knows it is true. He knows it is right. I am not answerable for what he may say about it. While I am on my feet, Mr. Chairman, may I give the correct figure for fishermen last year, 1957-58. The number employed in plants was 3,374 and the wages paid them was \$3.6 million. The figures of employees, men working in the industry on boats, trawlers and the like, industry owned, by the plants, was 354. The wages were \$825,000. Now the minute I heard that figure I knew it was wrong. I knew it was some misunders-

tanding. I do not know the explanation but there is some misunderstanding somewhere.

**Mr. Hollett:** There is the answer, if the Minister would like to have it. I am not misquoting at all. I would like to have it back for my files. It is very important. The Premier said I never make any exceptions.

**Mr. Smallwood:** I did not say any such thing. I did not say the hon. member never made any exceptions. I never made any such statements.

**Mr. Hollett:** I pointed out, the government made exceptions with regard to O'Brien Fisheries where they paid for lobster sold to O'Brien Fisheries but would not pay for salmon. I will have something to say on that — They do make exceptions.

**Mr. Smallwood:** I did not say anything about making exceptions.

**Mr. C.M. Lane (White Bay North):** Mr. Chairman, I hoped to have some word to say while on Fisheries Estimates, but your ruling eliminates that possibility. I could have quoted some figures, because we recently compiled them for our meetings. I would like to go back now to this matter of pump bounties, looking for capital and what have you to assist fishermen. You see we can say quite a bit about some of these things, but you see it is just a matter of words. An occasion arose where fishermen came to land with a quantity of fish. As do most people, they think they can get action forthwith. Now we have an organization which represents the fishermen of Newfoundland, open to everyone. Unfortunately for many committees, they left the commercial fishing boats and went at other work, and now they return and have not reorganized, and have not become members. But all this information is available to any fishermen who are members of our organization. At the moment, we only give the necessary help and information to fishermen who are members of the organization. I would like any member on either side of the house, if they would refer these matters to the organization, we would be only too happy to give them, and I believe we have,

all the necessary information.

On motion, Item 1411 — General Office — Carried.

**Mr. Hollett:** \$5,000 for Experimental Fishing, Mr. Chairman. I wonder if the Minister could give us some idea as to what Experimental Fishing is done and how much money was spent on that last year?

**Mr. Cheeseman:** Mr. Chairman, I am sorry I do not have the figure exactly of what we spent last year. It was something less than \$2,000. The type of experimental work which was done was: they were working on experiments in some method of curing bait other than freezing or salting, a chemical process.

**Mr. Hollett:** Surely that would come under another head?

**Mr. Cheeseman:** It has to do mainly with trying to produce some form of chemically cured bait, some process said to be in use somewhere in the Scandinavian Countries.

**Mr. Lane:** Mr. Chairman, while on that subject, I would like to say that in Experimental Fishing I am glad to see the Minister has the sum in. I would like to see it much larger because I do believe we have to depend quite a lot on experimental work in the fisheries. We depend on the Federal Government for long term, but anything which you would term urgent and experimenting even though it might not prove successful would be a great benefit to fishermen. I hope the Minister spends whatever he can in experimental work.

**Mr. Hollett:** I wonder if the Minister could tell us who is in charge?

**Mr. Cheeseman:** This particular phase of the fisheries, Production, Engineering, the officer in charge there is Mr. Colin Storey.

**Mr. Hollett:** How much money was spent on that last year? I think the Minister could not tell me.

**Mr. Cheeseman:** Probably a couple of thousand. In previous years the grant was \$15,000. It was not used. It was reduced in 1957-58 to \$15,000. All of that sum was not

used. We put in \$5,000 this year. We may or may not use it but it might be worthwhile to have it.

**Mr. Hollett:** Exhibitions \$7,200, what are those supposed to be?

**Mr. Cheeseman:** As I mentioned earlier, Mr. Chairman, it was the custom! Prior to 1957-58 to have the Department of Provincial Affairs look after the total expenditure for fairs, because the fairs are run under the Department of Provincial Affairs. A lot of this money is used for getting up the exhibits and prizes and so on, and fairs include the fishery as well as agriculture. But for some reason, in 1957-58 the Department of Provincial Affairs did not provide for fishery expenditure and we were obliged to find the necessary funds to pay the expenses that we incurred from other sources. This year we are asking for \$7,200 which is the approximate amount that it costs the Department of Fisheries each year to take care of their commitments in connection with the annual fairs.

**Mr. Hollett:** Under (04) (02), Whale (Mink) there is nothing allowed this year. The year before last it was \$124,432. In that connection, I wonder if the Minister could tell us what is the cast at the present time of the government operating the experimental whaling station there?

**Mr. Cheeseman:** Mr. Chairman, the vote in connection with whaling was eliminated from 1957-58 estimates and again from the 1958-59 estimates, but we find there is a vote under Capital Expenditure.

**Mr. Hollett:** Yes, I know.

**Mr. Cheeseman:** We deal with it now. Insofar as the cost of this whaling operation is concerned I am afraid, Mr. Chairman, I will have to take a little time to get the answer to that one. We do not happen to have the figure available, but we will provide it for the Hon. Leader of the Opposition.

**Mr. Hollett:** If I tabled a question tomorrow would that be time enough?

**Mr. Cheeseman:** Yes.  
On motion, Item 1422 — Fisheries Production Engineering — Carried.

**Mr. Hollett:** Now, Mr. Chairman, under Vessel Construction and Inspection — \$31,300 — and \$30,700 last year and the year before \$27,727. Now I read the report, I think, of the Fishery Development Authority. I find that the boats that are operating in the Bonavista area do not seem to be suited for the particular area. I wonder where does this vessel construction come in there?

**Mr. Cheeseman:** Mr. Chairman, 1424-01 — \$31,300, that is the salaries for the directors and staff of the Vessel Construction and Inspection Division, as headed by Mr. Harvey, and it really has nothing to do with the matter of designing boats. Just one moment and I will try and explain what this division is, Vessel Construction and Inspection. Mr. Richard Harvey is the head of that division. He is also, as hon. members know, Lloyd's Surveyor, and the work of this Department is confined to the inspection of ships that are being built, to see that they are properly constructed, the right type of materials used and so on — in the case of vessels being rebuilt, to see that the work is being properly done. There are two full time inspectors who do that type of work. But they have nothing to do with the designing of boats. You will notice there a token vote of \$100 for Naval Architectural Drafting. It is just merely a token vote. I do not know why. Probably somebody reasoned one of these days we might have to seek the advice of a Naval Architect or something in connection with the work. Building and Testing of Models — In connection with the ship building programme, models are usually constructed by Mr. Harvey's Department, models of boats built, but it has nothing to do with designing.

**Mr. Hollett:** How is it that it is suddenly now discovered that long-liners operating out of Bonavista do not seem to be suitable for the area there, for the conditions?

**Mr. Cheeseman:** We cannot deal with that here.

**Mr. Hollett:** Why? It is under fisheries, Building and Testing of Models, surely that has something to do with it.

**Mr. Cheeseman:** Well, Mr. Chairman, I am

sorry that I am unable to answer that question, The Bonavista boats were built before my time in the Department. I don't know whether I have any knowledge of my own, any official knowledge as to whether they are suitable or not for the work that they are intended for. I do not know.

On motion, Items 1424 — Vessel Construction and Inspection — Carried.  
1426 — Fisheries Training School — Carried.

### FISHERIES DEVELOPMENT AUTHORITY:

**A.M. Duffy (St. John's Centre):** Under 1427 — Fisheries Development Authority — I wonder if I could ask the Minister for a breakdown on the salaries there.

**Mr. Cheeseman:** The salaries, Mr. Chairman — Board Members \$75,500 — three Board Members — Stenographer \$3,000, Technician \$6,000, Engineer \$7,000, Draftsmen, \$2,725, making a total of \$101,700.

**Mr. Duffy:** Mr. Chairman, I would like to move an amendment to the estimates at 1427 (01) — To be reduced by a reduction of the salaries of the members of the Board to a level of other government boards. I do so for this reason, Sir. I think that the function performed by this Board — and I am not criticizing the ability of the members of that Board but I am criticizing the function they are performing. I feel there is duplication, overlapping there. This Board performs nothing that could not be very readily done by the department. It is, I think, an excessive expenditure, entirely unwarranted by the functions performed. Now, I had occasion to ask a question which referred to this, and I understand there is no signed agreement with the members of the Board. Having in mind, of course, that these gentlemen were invited by the government to accept appointment for a certain purpose, I do not wish to be unduly harsh, but it seems to me that justice precedes charity, and that the work performed by the Board should not be remunerated at an excessive rate. I therefore move these estimates be reduced in the particular instance of the salaries of the Members of the

Board to a level commensurate with other boards appointed by the government.

**J.D. Higgins** (St. John's East): I second that amendment, Mr. Chairman.

**Premier Smallwood**: Is that in order, Mr. Chairman?

**Mr. Chairman**: I think there would have to be an amount stated.

**Mr. Duffy**: Well, Mr. Chairman, I would move that the amount be; the Chairman, \$7,000 and salaries for the member be \$6,000 per annum.

**Mr. Smallwood**: Mr. Chairman, we won't waste any of the Committee's time discussing the amendment, except to say we are against it and vote against it. One of these men was Managing Director of one of the very largest companies operating in the fisheries in Newfoundland. We persuaded him to resign his position and devote the rest of his life, the rest of his life, in a position in which he would be protected for the rest of his life and his widow in case of his death. The second one of them was a Director of one of the largest Commercial Firms in Newfoundland. His income was \$17 or \$18 thousand a year. We persuaded him to resign and devote all of the rest of his working life to this job, and guaranteed protection as long as he is alive and for his widow if he should die within his working years. The third we brought back from Rome because of another type of experience he had. Again, we guaranteed him for life, as long as he lived and could actually work, so that all three of them, all three of them could bring their knowledge of banking, finance, the fish industry to the benefit of the Newfoundland Government, without fear, favour or affection for anyone to be completely independent, as independent as the Judges of the Supreme Court.

If since we did that, if since we did that Fishery Development has not been as great as we expected it to be because of the complete refusal, the absolute refusal, the point-blank refusal of the Government of Canada (before the election I am speaking of, the Government that was in Ottawa, and I do not see any reason to suppose that the

new one will be any different in this regard) — I say — if as a result of the point-blank refusal of the Government of Canada to share with us, to share with the Newfoundland Government, in the capital needs of Fishery Development, which are now much less, considerably much less, considerably, than they were when we got these three men to burn their bridges behind them and devote themselves entirely to our interest, that is not their fault, and we are obligated to pay them what we are paying them. If we may hope that the new Government in Ottawa, with its advertised vision of a greater Canada, with its advertised intentions to devote far more effort to the development of Canada than the previous government did, if that is true, and I hope and pray it is, then we may yet get from Ottawa what we have not gotten in the past, the kind of capital and capital aid for development of the fisheries for which this Fisheries Development Authority was set up in the first place. We may get that kind of capital aid, which the previous government refused, and which I think they were wrong to refuse. I think they were inexcusably wrong in refusing. I do not think they had a leg to stand on in refusing.

**Mr. Hollett**: What Government?

**Mr. Smallwood**: The previous government I am talking about.

**Mr. Hollett**: The Liberal Government?

**Mr. Smallwood**: Oh don't be partisan!

**Mr. Hollett**: Was it the Liberal? It is Conservative this time.

**Mr. Smallwood**: Don't be partisan! This is too serious a thing to be partisan about. I was trying to be big, and the hon. gentleman is trying to be small. I was making an attack on the former government. Now the hon. gentleman wants me to spell it out; wants me to name them one by one. All the members know. Does he understand what I meant? Was he afraid the press would not? Don't be small about it! The development of our fisheries in Newfoundland is above and beyond party politics. I say; I still hope we may get from the new government what the

former government point-blank refused, capital aid in the development of our fisheries. If we do, if we get it, we have the organization ready to go ahead, highly paid, independent as the Judges of the Supreme Court, and for the same reason, for the same reason.

**Mr. Duffy:** Are they as independent?

**Mr. Smallwood:** Just an independent, economically and financially as the Judges of the Supreme Court anywhere in Canada.

**Mr. Duffy:** I doubt it!

**Mr. Smallwood:** The hon. gentleman doubts it! He doubts it! He will, no doubt, continue to doubt it. He did not select them, did he? He did not appoint them.

**Mr. Duffy:** Unless shown otherwise, I have no reason to think otherwise.

**Mr. Smallwood:** Would the hon. gentleman show me the Supreme Court Judges more independent? For what reason? I know of no reason why the three hon. gentlemen who occupy seats on the Supreme Court Bench are more independent than these other three gentlemen. I know of no reason, and the burden of proof is on the hon. gentleman.

**Mr. Hollett:** Who would not be with \$25,000?

**Mr. Smallwood:** Exactly! That is the whole purpose of paying high salaries, so they would be beholden to no owner of fish plants, to no one but their masters and employers, the Newfoundland Government. That is why they are paid the big salaries. We still hope to make use of them. They are still young enough to be made use of, if we can get the capital aid the former government refused, and which the new government may give, maybe, with the help of my hon. friends opposite.

**Mr. Duffy:** Time is running out. There are six years of the ten gone already.

**Mr. Smallwood:** Alright! They are still young men.

**Mr. Hollett:** Mr. Chairman, I do want to say a word or two — I want it fully understood that we cannot be expecting the Federal Government at Ottawa to be running to our aid over and above the other provinces.

**Mr. Smallwood:** We are not expecting them ever to do that.

**Mr. Hollett:** When it comes to fisheries or any other thing — according to a statement made by the Hon. the Premier, it looks as though they did ask somebody — I do not know which government — the previous government — I do not know which government but this Fishery Authority, they are independent, no doubt. They have incurred expenditures or liabilities since their inception of \$4,890,000. They have done all sorts of things; spent money at Catalina, Change Island and so on down the line; Greenspond, Isle aux Morts, Joe Batts Arm, Trepassey, Twillingate, altogether \$1.5 million; on Fortune Bay Products Limited there is an amount, I take it, this year of \$2,372.33 — and I come down to O'Brien Fisheries \$126,875.80. Now that resulted from a loan which was made by the government, I understand and handed over to the Fisheries Authority — I don't know, was it given by them in the first place?

**Mr. Smallwood:** No. All the loans given were given previous to their existence, by the government, of since by the government or by them — All loans are now administered by them.

**Mr. Hollett:** The Fisheries Authority, I understand, has now purchased the O'Brien Fisheries?

**Mr. Smallwood:** In a legal sense of the word — They purchased it as the principle creditors.

**Mr. Hollett:** I always talk legalities.

**Mr. Smallwood:** I have heard the hon. gentleman talk here — If the hon. gentleman will allow me, he made a public statement.

**Mr. Hollett:** What has that got to do with it? I do not believe the Hon. the Premier is allowed to say what I said yesterday. I will not yield, Mr. Chairman, the Hon. the Pre-

mier will only get himself into a sweat.

**Mr. Smallwood:** The Hon. the Premier knows what he is talking about. The Hon. Leader of the Opposition said that the government, after lending money to the O'Brien Fisheries, and on top of that lashed out money to buy it— And he could not see when they already owed the money, legally, we had not bought it for the money already lent them and not lash out any other.

**Mr. Chairman:** This is ranging far afield.

**Mr. Cheeseman:** Yes, confine what you are talking about under 1427 — Where do you find O'Brien?

**Mr. Hollett:** Fisheries Development Authority is 1427 — and this is the report of the Fisheries Development Authority, and surely a man can quote from their own report.

**Mr. Cheeseman:** Mr. Chairman, at the present time we are supposed to be discussing an amendment to reduce the amount of salaries by a certain figure — That is the amendment before the Chair.

**Mr. Hollett:** Surely, I can refer to Fishery Development Authority, the heading is 1427, Fisheries Authority. Then there are several subheads. Perhaps the Hon. Minister has some reason for objecting, I don't know.

**Mr. Cheeseman:** I am not objecting.

**Mr. Hollett:** We are talking about the onus with regard to the O'Brien Fisheries, moved from the government to the Fisheries Authority — and these people are getting big salaries.

**Mr. Smallwood:** Onus?

**Mr. Hollett:** Onus! The onus with regard to the running of the fishery plant. They own it now, don't they, the Fishery Development Authority? Or the government owns it now?

**Mr. Smallwood:** Yes.

**Mr. Hollett:** That is the point I want established — These assets and liabilities as well.

The government undertook to take care of one liability to the extent of forty-odd thousand dollars, with regard to lobster. I have here in my files some items with regard to salmon. I have the statements made by the various ministers on the opposite side, to the people in Jacksons Cove or somewhere down there, about the salmon; and I have telegrams here on file from various ministers on the opposite side, who said — the government will see you will not stand to lose — you will not lose on these salmon. If I may, I would like to refer to that now. I may not get another opportunity, Mr. Chairman.

**Mr. Smallwood:** I do not think this is in order.

**Mr. Hollett:** I will say it when we get on Capital Account or somewhere.

**Mr. Smallwood:** I must be some other place. The hon. gentleman is now debating reduction of salaries; and is now talking about payment for salmon.

**Mr. Hollett:** O'Brien Fisheries, but now their responsibility.

**Mr. Smallwood:** They are not. They bought the physical property, not a going concern as O'Brien Fisheries. They did not take over any liabilities. No, they did not! They bought the property!

**Mr. Hollett:** Who took over the liabilities?

**Mr. Smallwood:** Some of the lobsters — those we chose to do before the company went insolvent. Now the company is wound up, insolvent.

**Mr. Hollett:** There is something very fishy about this.

**Mr. Smallwood:** It is all fish.

**Mr. Hollett:** I maintain the Fishery Authorities, big salaries or small salaries, should see to it that those people, in Jackson's Arm I believe, are paid the \$5,000.

**Mr. Smallwood:** They have no more re-

sponsibility for that than the hon. gentleman has.

**Mr. Hollett:** How did they get possession of the plant.

**Mr. Smallwood:** Does the hon. gentleman not know that company was put through the courts and wound up and the property sold off. The FDA (acting for the government, which was the principle creditor) the FDA went in and bought up the physical assets for the amount of the loan we had already made. Now, that does not make them liable for any debts that company had before becoming insolvent, which they owed the fishermen. My hon. friend knows that as well as I do.

**Mr. Hollett:** I am not so sure I do know it. I have two legal colleagues right here, and might have to consult them.

**Mr. Smallwood:** Why not consult them first? Then — the hon. gentleman would be prevented from making errors.

**Mr. Hollett:** I am quite sure whoever took over O'Briens took over the liabilities. They were paid \$40,000.

**Mr. Smallwood:** That was taken over before the insolvency.

**Mr. Hollett:** Well, why not pay for salmon as well?

**Mr. Smallwood:** That is a good question. Don't blame the FDA. It has nothing to do with this motion and therefore the hon. gentleman is out of order.

**Mr. Hollett:** Alright! Blame the government!

**Mr. Smallwood:** On another motion, not this. This is to reduce the salaries of the FDA and has nothing to do with the price of salmon.

**Mr. Hollett:** At any rate, I have aired my views, and the smell that air caused here — Here they go, Mr. Chairman, and the Premier said they did not make any exceptions. Here they make an exception of men in the same cove, the same harbour, one catching

salmon and the other lobsters. One gets paid by the government for lobster sold O'Brien.

**Mr. Smallwood:** Does the hon. gentleman know why they made that distinction?

**Mr. Hollett:** They were promised by your own Ministers.

**Mr. Smallwood:** The hon. gentleman knows the reason the distinction was made — He either knows or he does not.

**Mr. Hollett:** Sure! Why did the government pay the fishermen who sold lobster to that company and did not pay the fishermen who sold codfish or salmon, berries or wood to that company?

**Mr. Chairman:** Order please!

**Mr. Hollett:** Will you answer that? Alright I will leave it.

**Mr. Chairman:** You are definitely outside the amendment.

**G.R. Renouf (St. John's South):** Mr. Chairman, might I have a brief word in between on this proposed amendment? It has come under some criticism from the Hon. the Premier, but I would point out, Mr. Chairman, that the Hon. Minister of Fisheries himself has said that he was affecting some economics in his department, and surely as members of the Opposition, it is incumbent upon us to make comment upon an item which runs into such a range as the salaries of this Fisheries Authority. I think there is nothing unusual about that. There is no savour of party politics about it. If the members of the Opposition do not comment upon matters of public interest such as the size of the Fishery Authority salaries, who is going to comment? I do not think there is anything wrong with this proposed amendment. I believe that instead of bringing the Federal Government into it, either past or present, we should cast our minds back a few years, and then if these salaries are because of a past mistake we should admit it. I recall some time ago —

**Mr. Smallwood:** I just admitted it, didn't I?



**Mr. Renouf:** Blamed the Federal Government?

**Mr. Smallwood:** Yes.

**Mr. Renouf:** I must say the blame does not rest there at all. I recollect that there was a fishery policy in great panic gathered up some years ago, upon the foreseeable decline, perhaps, of another industrial programme — we suddenly heard very, very far reaching and spectacular announcements on fishery policy; and even if this was one of the ideas carried out there in haste, I think we should be quite justified in making the appropriate comments on it now.

**J.D. Higgins (St. John's East):** Mr. Chairman, I just want to add one word on this thing. As far as I can gather from statements on the other side of the house, what we are doing really is paying these three gentlemen, all of them who are probably very well equipped, a rather expensive retainer just now to keep them available in case the situation later warrants this authority going into action. We have heard the letters "FDA" referred to as to some bank. Actually FDA has not so far been a particularly brilliant success. The reasons for it are not particularly germane to this present discussion. But I do say, Sir, it seems to me a rather expensive retainer to pay three gentlemen, in the absence of some binding commitment, if I heard rightly. I was told there was not any written agreement, no contract with these gentleman but some sort of what appears to be an "understanding basis." This understanding may be revised downward, and when they go to work on a full time basis, certainly pay them, but in the meantime for what appears to be a sort of standby work their remuneration does, I suggest, appear to be rather more than generous.

**Mr. Smallwood:** The hon. gentleman suggests — when they go on full time — That suggests they are not now on full time. We have around \$12 million of public money out in the fishery industry today in some twenty firms, twenty companies and more than twenty. The administration of that has been passed to the FDA. That is extremely important work, extremely important

work, because they are directors of most of the companies there. They sit on the boards of perhaps a majority of the fishing companies to whom monies have been lent, and actually engage in the management of some of the largest fishing concerns in Newfoundland today, the leading one to whom we lent nearly \$5 million; Fishery Products. These members of the FDA are among the active directors of some of Newfoundland's largest fish companies.

**Mr. Higgins:** Do they shape the policies?

**Mr. Smallwood:** They sit in on the board meetings of these companies and help do the directing of the work of these companies, yes. In addition to that, does my hon. friend know an abler man who ever came off Water Street than Ross Young?

**Mr. Hollett:** Does he know one? I dare say he does.

**Mr. Smallwood:** I would like to hear his name. Maybe we can get him if we offer him enough to take him off Water Street, to serve the government and people of Newfoundland and not Water Street. We have to pay him more than Water Street.

**Mr. Hollett:** I thought you did not like Water Street?

**Mr. Smallwood:** I say, go anywhere to get the best man. We were badly mistaken in one instance — He ended up in jail as the hon. Gentleman knows. But nevertheless we are entitled to go anywhere to get the best man we could find. We have gone wherever we could to get the best man we could find, and never hesitated to pay better than anyone else so we could get him — and I say now, we will go now on Water Street and any brilliant, clever and able young man who would serve the people of Newfoundland, instead of Water Street we will pay him, instead of Water Street, if he will come with us and serve the people of Newfoundland. Yes, every government does that, every government in the world, and if they do not they get second class instead of first class men.

**Mr. Duffy:** You think they are worth \$75,000?

**Mr. Smallwood:** For the work they are doing, frankly I say no, they are not worth as much as they are getting paid. That is obvious whether I admit it or not.

**Mr. Duffy:** The work they did in the past?

**Mr. Smallwood:** The work they were engaged to do was well worth the salary; but that work, due to the fact that the Canadian Government refused (we almost had it but did not get it) they refused in the end to share with us in a programme of capital aid for Fishery Development. Now if anybody does not know that, he must be asleep the last five years. Everybody knows of the great struggle Newfoundland has had since Confederation. One really great struggle has been to get the Government of Canada to share with the governments of such provinces as care to have a Fishery Development Programme, to share with these governments the capital cost of that programme. We had Mr. Mahew down here, wined and dined him and gave him dinner and he left here sold on the idea of going back and putting through the Canadian Cabinet this great programme of capital aid for Fishery Development. Then he went out, and went as an Ambassador of Japan and was replaced by Mr. Sinclair — Don't start me on Jimmy Sinclair. That is where we became a crash. That is where we lost out on our great programme of capital aid, on that rock it smashed. I hope he will never again, never again I hope will he be — he has just been taken on by the Fishery Industry of British Columbia at the same rate of pay, \$25,000. Well, I would rather have any one of the three men we have at \$25,000 than Jimmy Sinclair. I do not mind saying that, do not mind telling it to Jimmy Sinclair straight to his face. I admit, frankly, for the work they are presently doing it is not worth the salary they are getting. I suppose they, themselves, would be forced to admit that. But the work that we engaged them for was well worth that salary, well worth it. Now the work that they are doing is worth many times the \$7,000 that the hon. gentleman, I think, probably factitiously, is suggesting.

**Mr. Duffy:** No! I do not want to be misrepresented. I did not suggest for a moment that these men are not valuable, but I am relating their value to the work they are

called upon to perform. Mr. Young might be worth \$50,000 a year, I do not know, but certainly not for the job that he has. That has to be considered — It is public money!

**Mr. Smallwood:** To say the work he is doing is not worth \$7,000 a year only shows my hon. friend has not a notion of what he is talking about. These three men, I already told him, represent the Government of Newfoundland on the Board of Directors of the largest fishery companies. We have a grade in the Civil Service, Directors, i.e. heads of division of departments and it is being confused with company directors.

**Mr. Higgins:** No! No!

**Mr. Smallwood:** No! It is the same word, spelled the same, but the functions are quite different.

**Mr. Higgins:** They make \$12,000 a year.

**Mr. Smallwood:** \$7,000. It is now jumped from \$7,000 to \$12,000 — make up your minds — First you were going to reduce it to \$7,000 and now to \$12,000. If some other member finds some other word that says \$18,000 we will be asked to make it \$18,000 — Let us leave it as it is.

**Mr. Duffy:** Let us make it \$12,000.

**Mr. Smallwood:** No! We are bound to that. We are under a contract.

**Mr. Hollett:** You are bound under contract?

**Mr. Smallwood:** The hon. gentleman knows, the house knows, the Opposition knows it because they were told the other day, the agreement was not signed. That is the only part that is different, but the contract is there — They know it — Everybody knows it.

**Mr. Duffy:** A moral contract?

**Mr. Smallwood:** A written contract. It is unsigned. It is a written contract which has not been signed.

**Mr. Renouf:** It is no contract at all if not signed.

**Mr. Smallwood:** Perhaps not. In law, of course, it is not a contract.

**Mr. Renouf:** You mean morally.

**Mr. Chairman:** The amendment is that Estimate No. 1427-01, that the amount \$101,700 be reduced by reducing the salaries of the Members of the Board; Chairman, \$7,000 and Members \$6,000. On motion, amendment lost.

**Mr. Hollett:** Mr. Chairman, I take it the Fishery Development Authority is under the authority of the Minister of Fisheries, is that correct?

**Mr. Smallwood:** Yes.

**Mr. Hollett:** Definitely?

**Mr. Smallwood:** Certainly.

**Mr. Hollett:** In other words, the Minister of Fisheries has the authority?

**Mr. Smallwood:** Of course.

**Mr. Hollett:** Then we can hold the Minister of Fisheries responsible for everything the Authority does?

**Mr. Smallwood:** Yes, of course, and beyond the Minister of Fisheries is the whole government. They are agents of the Government of Newfoundland. It is quite commonplace for a board to report to the Minister concerned. In fact, the act creating them requires it.

**Mr. Hollett:** If anything is done by the Fisheries Development Authority the minister must take responsibility?

**Mr. Smallwood:** Certainly! Of course! The government as a whole must take it also.

**Mr. Duffy:** May I ask for a result of the vote there?

**Mr. Smallwood:** It was lost.  
On motion, Department of Fisheries carried.

**JUSTICE DEPARTMENT ESTIMATES:  
(ATTORNEY GENERAL):**

Department of the Attorney General — VII:

**Mr. Higgins:** If I may, Mr. Chairman, I notice Deputy Attorney General, \$14,000, does that mean that since 1957 the Deputy Attorney General has been paid \$14,000?

**Mr. Smallwood:** No, it does not.  
On motion, Item 701,702,703 carried.

**J.D. Higgins (St. John's East):** On 704, Mr. Chairman, Director Grade IX, (Clerk of the Peace) \$7,150. Now, we have been told on other estimates that the Deputy Attorney General was given a rating commensurate with the fact he was performing duties as a lawyer in that department. The Clerk of the Peace in the Magistrate's Court is, I think, as any of the hon. gentlemen on the opposite side or this side, for that matter, familiar with the operation of our courts, will agree, possibly the hardest working man in the Civil Service. Indeed I believe, on a number of occasions he is used as a member of various boards set up by the government. I was wondering just why he is kept in a Grade IX classification, when there are other groups there, say Grade X, which would give him a higher rating. Is there any reason for that particular position?

**Mr. Smallwood:** I cannot answer that, but I will undertake to bring the point to the attention of the Attorney General, who has gone to the Canadian Bar Association Meeting. He went yesterday. I will certainly bring this point to his attention, Mr. Chairman. Mr. Chairman, I move the Committee rise and beg leave to sit again presently.  
Mr. Speaker resumed the Chair.

**Mr. Clarke:** Mr. Speaker, the Committee of Supply have considered the matters to them referred and passed estimates of Current Expenditure under the following headings, VI — Department of Education; XIV — Department of Fisheries and VII — Department of the Attorney General, Items 701 through 704 inclusive.  
On motion, report received, committee sit again presently.

**Mr. Speaker:** Since it is now six o'clock I do leave the Chair until eight o'clock.

Monday, September 8, 1958

(Night Session)

The house resumed at eight o'clock.

**Premier Smallwood:** Mr. Speaker, we were in Committee of Supply before the recess, and I think perhaps, as the Hon. Leader of the Opposition is ready, we might go back into Committee of Supply.

**Hon. E. S. Spencer (Minister of Finance):** Mr. Speaker, with your indulgence, before we go back into Committee I would like to have the privilege of tabling the answer to Question No. 78, provided here this afternoon but late for presentation. With the permission of the House, Sir, and your permission, I would like to table the answer to that question. (see appendix) On motion that the House go into Committee of Supply, Mr. Speaker, left the Chair. Mr. Clarke, Chairman of Committee of Supply.

#### ESTIMATES ATTORNEY GENERAL'S DEPARTMENT

(continued):

**Mr. Chairman:** We had passed Item 704.

**Mr. Hollett:** In that case, Mr. Chairman, may I revert back to 704 because some of the members of this side of the house want to question 704(01) relative to salaries of so-called directors, of magistrates. I am not too familiar with the situation but I am given to understand there are magistrates there. I think Magistrate O'Neil is there a long time and is a very efficient official, very thorough, and we are wondering why his salary remains so low in comparison with other salaries. I wonder if the Minister or somebody on his behalf would give some reason why some consideration has not been given to increasing that?

**Mr. Smallwood:** I have already said I would bring that to the attention of the Attorney General in reply to the hon. members colleague from St. John's East.

**Mr. Hollett:** Thank you, very much.

On motion, Item 705 carried.

**Mr. C. A. Sheppard (Hr. Grace):** Before passing 706, Deeds and Companies, Mr. Chairman. The salary of the Director of Deeds and Companies is only \$5,000. I don't know, probably some legal friend who had some dealings with that gentleman is probably more capable than I am of suggesting that the salary seems unreasonably low for an official that carried such a load of work.

**Mr. Smallwood:** I understand this is now a higher grade than he had last year. He is now this year, in these estimates, on a higher grade. So if the hon. gentleman's complaint is good now how much better would it have been last year. He has been increased to a higher scale.

**Mr. A. Mifflin (Trinity North):** Mr. Chairman, there is only one thing I would like to say. He does have in operation, I believe, one of the best Registry of Deeds system in Canada as far as search and that sort of thing is concerned. It is a top-notch system.

**Mr. Smallwood:** Yes, I will certainly bring it to the attention of the Attorney General. On motion, Item 706 carried.

**Mr. Hollett:** Mr. Chairman, on Item 707, I am informed that a petition went from the Constabulary to the Attorney General for consideration by the Government. That petition prayed that some consideration be given to the hours of work performed by the Police Force. I would like to have some assurance from the Hon. the Premier that that would be attended to. For the information of the Committee I would say, they are asking for a forty hour week rather than a forty-eight hour week, which they are presently serving. They go to work, say, at eight o'clock, on Sunday morning and work until four P.M. on Sunday and that goes on all the week until Saturday at four P.M. They are off duty then until twelve o'clock Sunday night, and work all that next week until twelve o'clock and from twelve to eight the next Sunday and are then off eight hours until four o'clock and work from four to twelve right through the week until twelve Saturday night. Now that is not easy to follow. Then they go through the same procedure again, all through the week with a work period of forty-eight hours a week.

Now I have had something to do with the police a good many years, when a magistrate. The police are a hard-working body of men. They have to be out in all weathers, and they have to take the weather and they have to track back and forth through the streets. Everybody else seems to be getting a forty hour week and I think this house ought to consider the petition duly presented from the Police Force. As we can see by this, there are some 137 Constables, 14 Acting-Sergeants and 10 Sergeants. There is also a difference in pay which needs some adjustments, but I am not at the moment concerned about that. I have already spoken to the Attorney General on that. But I do think some consideration should be given. Now, I have been told that if we reduce the police hours of work it is going to cost the country a lot of money. I do not agree with that. We have a lot of policemen here in St. John's now, as a matter of fact really more I believe, than absolutely necessary, and I think the hours of work performed by the police could be reduced to forty hours without any undue expense on the part of the Department of Justice. Luckily we have here an ex-police chief, and I think probably he might be able to correct me if I am wrong, about these hours of work and might give his ideas on it. But I do think the House ought to consider this, and I put it, Sir, through you to the Government for their kindest consideration.

**Mr. Smallwood:** Mr. Chairman, I have had some discussions on this very matter with the Attorney General, and I know that the matter is receiving careful and sympathetic consideration. Now I will go a step further. If the Committee will look at page 35, two items, one that we are presently on and one we will come to in a moment, I hope—Item 707 and Item 708. Item 707 is Constabulary. That is, of course, the Newfoundland Police, our own local Newfoundland Police. Item 708 is the Royal Canadian Mounted Police. It is pretty well known that we have in Newfoundland two separate police forces. We have our own Royal Constabulary, patterned after the old Royal Irish Constabulary, our own local police; and then there is the Royal Canadian Mounted Police.

When Confederation came almost ten years

ago, it seemed to be a perfectly obvious thing for Newfoundland to avail itself of the opportunity that existed to engage Royal Canadian Mounted Police Officer to come to Newfoundland and do policing, do police work, for the Government of Newfoundland in all parts of the Province except the City of St. John's. I say it seemed, the advisable thing, because at that time the Government of Canada charged the Government of Newfoundland the sum, I think, of \$1,400 a year for each Royal Canadian Mounted Policeman who was loaned, who was seconded, to Newfoundland. Because our own Newfoundland police were costing us at that time, and here I speak from memory, \$2,800 a year, approximately (that was when you added their salary, equipment, vehicles, up-keep of their buildings and the like) \$2,800 a year for each policeman we had. We could get Royal Canadian Mounted Police Officers for \$1,400 a year paid to the Government of Canada; that being much less than these same Royal Canadian Mounted Police Officers cost the Government of Canada, the Government of Canada absorbing the difference, there was a very considerable saving, I would imagine, running in to hundreds of thousands of dollars, to be made by the Newfoundland Treasury. So we did what was at that time the perfectly logical and obvious thing; we entered into an agreement with the Government of Canada to have a number of Royal Canadian Mounted Policemen seconded to Newfoundland. There was, at the same time, at least a gentleman's agreement and might have been more than a gentleman's agreement, it might have been something in writing, if my memory does not deceive me at the moment, to the effect that our Ranger Force, which we had also at that time, would be used as a recruiting ground for officers of the Royal Canadian Mounted Police. Into the Royal Canadian Mounted Police at that time were recruited, I would think, perhaps, a great majority of the members of the Ranger Force, and some of the others, I believe, were absorbed into our Newfoundland Constabulary and the Ranger Force, as such, disappeared in Newfoundland.

**Mr. Hollett:** Some of our Newfoundland Constabulary also were absorbed into the Royal Canadian Mounted Police.

**Mr. Smallwood:** Yes. That was, Sir, ten years or almost ten years ago. Since then the cost to Newfoundland of each Royal Canadian Mounted Police Officer is no longer \$1,400 a year but it is considerably more. If you look just for a moment at Item 708 you will see that the total is \$42,000. Now it may be that this is understating the amount. Indeed I have been assured, within recent minutes, that this understates the amount and that it may be closer to \$500,000 a year. You will notice the number of men is not stated, but we have the number, which is 220, at a cost of approximately \$500,000 a year. A smart mathematician such as the Minister of Finance here should be good at that.

**Mr. Hollett:** Slightly over \$2,000. Or practically \$2,500 a man.

**Mr. Smallwood:** It has gone up, you see, from \$1,400 a man. Now, it will be remembered that the practice followed by the Royal Canadian Mounted Police in Newfoundland at allevents, whatever may be the case elsewhere in Canada, is to set up a number, a rather limited number of detachments, living in barracks or something similar to barracks. There is a barracks at Whitbourne, for example. I believe there is one at Harbour Grace and on Bell Island, and so it goes. In these detachments, you will find four or five and maybe six or eight or ten officers of the Royal Canadian Mounted Police. They are expected, (according to theory) they are expected from those quarters, those barracks, to do the policing, the police work that falls to their lot within a certain geographical area, using the barracks as the centre of a pretty large area, which may include fifty settlements. Now, if you put these two facts together you will see that our Constabulary are costing us \$664,000 and they are in St. John's only, and the Royal Canadian Mounted Police \$500,000, let us say nearly \$1.2 million a year for policing the Province. I cannot pretend that there is universal satisfaction with the kind of policing the Province is getting. I have to remind the Committee that, if the Government of Newfoundland were not to renew its existing agreement with the Government of Canada with regard to employing the Royal Canadian Mounted Police—and on that point it may be that we are

bound by our existing agreement to give a certain amount of notice—it is possible at all events that we have an agreement which contains a clause requiring that we give them notice—if we were, I say, to discontinue that service it seems to me that the number of Royal Canadian Mounted Police Officers that would still operate in the Province of Newfoundland, employed now, however, solely by the Government of Canada to enforce Federal Laws, which the Government of Canada are to enforce, there would be no great diminution of the number. It so seems to me. At all events as we look at the tremendous increase in the traffic hazards on our highways, the tremendous increase in the number of cars and trucks and buses making use of narrow roads, winding roads, creating a tremendous increase in the degree of hazards of life and limb, we have been wondering actively in the Government, actively wondering what we ought to do about this whole situation. I can go so far as to inform the Committee that active steps are now being taken—have been taken—continue to be taken and will continue for some time to be taken—to ascertain facts and figures which will enable us to determine whether we are following the right course, or should we adopt another course in this matter that I have been discussing for the last five minutes.

**Mr. Hollett:** Relative to hours of work?

**Mr. Smallwood:** I began by saying that matter is receiving active and sympathetic consideration, but I think it must be considered against the background of the whole situation that I have been describing in the last few minutes.

**Mr. J. D. Higgins (St. John's East):** Would it be a fair question to ask the Acting Attorney General?—

**Mr. Smallwood:** Not the Acting Attorney General—The Attorney General for the next ten minutes.

**Mr. Higgins:** If he is satisfied with the result of traffic control on our highways at the moment? If it is not a fair question I withdraw it.

**Mr. Smallwood:** We have had numerous discussions in Cabinet. I am bound by oath, as we all are, not to reveal the debates, secret debates of Cabinet. Every Cabinet Minister in the world is bound by oath. But I am not breaking any oath when I say we have been giving careful consideration to this whole question of traffic. I am not revealing much of a secret. If there were a Government in Newfoundland of any description or any label that ignored this question of traffic on the roads in Newfoundland, it would be a Government that was most derelict in its duty to the public, because the whole question of the safety of life and limb on our Newfoundland roads has become a terrible, terrible pressing one, and we are considering it very actively, and when we come (if we come) to a conclusion in the matter, we will happily announce it to the public. If the house is open at that time we will announce it, as we should, here in the Chamber; if the house is not open, we will announce it otherwise.

**Mr. Hollett:** Mr. Chairman, on that I also am glad that the Hon. the Premier has commented about these hours of work, because our policemen, whom we look to for protection, are very capable men and very kindly disposed towards the people; they seem to be in closer touch than are the Royal Canadian Mounted Police, who, by the way, are getting about one-half times the money that the police are getting.

**Mr. Smallwood:** Not from us.

**Mr. Hollett:** No, but their pay is much more than our police, and I doubt if they work nearly as many hours as our policemen. So I am glad to have the assurance of the Hon. the Premier that this thing is under consideration, and I hope something will be done. Thank you.

On motion, Item 707 carried.

On motion, 708 through 712 carried.

**Mr. Higgins:** Mr. Chairman, on 713, may I ask what is 713 (02) Maritime Board of Trade.

**Mr. Smallwood:** Well, early in our career as a Province of Canada the question of transportation came up, and we decided to join the Maritime Board of Trade, the Trans-

port Commission of the Maritime Board of Trade. I think the hon. minister without Portfolio was retained, in his capacity of lawyer, by the Attorney General to represent us, and the practice arose of his dealing with the Attorney General. So, from that time on, we have put that matter in the Attorney General's care.

On motion, 713 carried.

On motion, Department of Justice carried.

### ESTIMATES (MINES & RESOURCES DEPARTMENT):

Department of Mines & Resources.

**Hon. W. J. Keough** (Min. of Mines & Resources): Mr. Chairman, as the Committee is aware the activities with which the Department of Mines & Resources are concerned, as the name implies, are mostly concerned with our natural resources, mines, forests, wild-life, agriculture, Crown lands. They also administer co-operative activities and some other odds and ends requiring administration of licensing of dogs and what not. The Department is one with many broad ramifications, and is one which is difficult to cover in any detail here. I think perhaps I would be most helpful to the Committee if I were to adopt some procedure as did the hon. minister of Education, I would propose to mention briefly the functions of each branch and division of the Department under the subheads as shown here in the estimates, together with some brief reference in regard to the detailed votes that are shown.

The **Minister's Office**, I think, is self-explanatory. The General Office covers the Deputy Minister of Mines and Resources, the Assistant Deputy Minister of Mines and Resources and their administrative staffs. The Accounting Office, of course, covers the salaries and expenses of the Accounting Department, that the Department of Mines and Resources is required to maintain, as are the Department of Finance and the office of the Auditor General.

This brings us first to the **Forestry Branch** of the Department of Mines and Resources, which is primarily concerned with the business of forestry management, the planning of operating on a sustained basis yield aimed at achieving a balance between the

annual cut and the annual growth. With this in mind the Province has been divided into twenty-one forestry districts, and these are grouped together in three forest regions, eastern, western and central. From surveys carried out from time to time, timber resources for each zone are computed and also the annual rate of growth and the allowable annual cut for each zone is set. We have a procedure today whereby all cutting on Crown lands except for firewood and except for an amount of twenty-five cords per person annually for domestic use must be done under permit. We have also set up an even more rigid control under the authority of the Crown Lands Act by way of establishing what we call fair management. In the Forest Management Area no timber at all can be cut without a permit. It may not be taken for firewood, domestic use, or any other purpose without a permit. The permit holder is required to carry out instructions that have to do with the kind and size to be cut, the amount of wood which may be cut, the manner in which trees should be selected for cutting and the time and manner in which wood should be cut and transported within the Forest Management Area. Now, we set up, as I said, a number of these areas in which condition just mentioned apply. We also have in mind at the moment the recommending for consideration by the Government of the declaration of ten more areas in Newfoundland to be Forest Management Areas in Newfoundland.

Turning to the details of the vote under Forestry: The first thing of significance there is a new vote for rental of a helicopter. That is a vote to enable my Department to carry the balance of a contract made regularly by the Department of Health for helicopter services. The Department of Health secured another helicopter more adequate for its purpose, and since my Department could use the helicopter for the balance of the year in the Forestry Division, there is a provision here under Forestry for \$14,000, and you find a similar provision under Wildlife, for an equal amount. The vote under Wages and Expenses of Forest Survey Parties, is to pay the expenses of the forestry survey we put in the field each year to survey the timber areas that may be sold by tender, survey new management areas,

and for sundry detailed breakdown of information supplied by the Jenkins Survey: Protection against forest fires. You will note from the footnote under (a) that \$99,000 of that is for an assisted access roads programme, forest access roads, which we undertook earlier this year in conjunction with the Government of Canada. The Government of Canada made the Governments of all the Provinces an offer, at the beginning of 1958, to share up to 50% of the cost of providing forest access roads; roads that gave access to timber areas for fire fighting purposes, and also to facilitate cutting. I have already, in answer to a question asked by the Hon. Leader of the Opposition, I believe, tabled a list of the roads that were constructed under this programme and the amounts that were involved. It is rather lengthy and I do not think I should read it now but leave it for hon. members. The Clerk has copies of the answer, which I tabled, if they would like to see that listing. Under this also, provision is made for the wages and transportation of the temporary staff we take on every year to fight forest fires. Also in each year we usually construct a number of new depots, and a part of the balance of that vote will be for new construction contemplated this year, most being done.

**Under Forestry Conservation and Development** and the amount voted there, \$50,000 of that is to pay for part-payment of the purchase of the block on the Gander Lake. Several years ago the Government arranged to buy that block from the Horwood Lumber Company. This amount here would cover either the second or first installment, I do not quite remember which, and the balance of the vote is for such things as advice on the third paper mill and the collection of spruce cones and other tree seeds for planting later. **Forestry Inventory:** The Committee will recall that some years ago the Government made the arrangements with the two paper companies whereby the two companies and the Government would each share one-third each in the cost of compiling an inventory of wood on Crown Lands. That inventory is pretty nearly complete, and there is a balance of possibly \$15 or \$20 thousand to be paid on it. Now, the original deal to have the timber on Crown Lands surveyed did not



include a survey of the timber on the Avalon Peninsula and the Sheffield Lake Area, and the Jenkins survey is now authorized to complete the rest; at least these three areas to have the surveys complete and in our hands by December. The balance of that Forestry Inventory vote is to cover that amount. **Forest Fire Equipment.** That vote would cover the new equipment that the Forest Protection Service would need for the year; new trucks and extension of radio-telephone systems, boats and canoes and all the rest of the things used in forest fire protection. **Professional Training:** The Committee may be interested in that particular item. That is a provision whereby, each year, we make assistance available to six forestry students in forestry and two in wildlife towards getting their degrees for the four or five years necessary to pursue their studies. As the Committee is aware, at the Memorial University a two year course in forestry, leading to three years at the University of New Brunswick, leading to a degree in forestry and a course in biology is available at Memorial; and we hope in this year to provide so that, in time, we will have in Newfoundland more Newfoundlanders qualified as foresters and wildlife biologists. That about covers forestry, Mr. Chairman.

I will turn now to **Agriculture:** With regard to agriculture, what we are really aiming at there, is to make it a way of life for as many people as possible. By making it a way of life, I mean to derive all or the greatest part of their livelihood from agriculture. The latest statistics we have indicated there are over 2,500 families in Newfoundland who derive all of their income or the greater part of it from agriculture. There are also 10,000 other families who derive part of their income from agriculture, part-time farmers. Now, the Committee may be interested if I take a moment to indicate how the Department sums up the position on agriculture. For this year the report is that it has been a good year for products of both crops and livestock in Newfoundland, where conditions have been generally agreeable, although the low temperatures of June and early July retarded rapid growth which took place earlier in the year. Livestock wintered well because of mild weather and little snow and heavier than usual hay crops. For the main part, fine weather prevailed during

hay-making season and there was a very good growth of early cabbage, but farmers are experiencing difficulty in marketing at least the whole of their crops. This is put down to over-production of a product for a market with a limited demand. It is felt, too, that the eating habits of our people have changed quite a bit in recent years, and they are not eating cabbage as much as formerly. Other crops including potatoes, turnips, beets and carrots all began well and it appears that there will be an extensive crop of both cabbage and turnips. The blueberry crop did excellently this year and there is at this time a large percentage of the berries that have ripened. I may say in passing that, in 1956, the production of blueberries was 600 million pounds; last year was excellent and production will be considerably higher this year.

I think, Mr. Chairman, I might pass over the details here and leave it for the questioning further in Committee. I will now go to the **Crown Lands Division**, concerned, of course, with the general administration of Crown Lands in the Province. The votes are detailed here. We have three survey parties in the field, one on the West Coast doing a survey and a breaking up of the lots of the American Telegraph Blocks that the Government acquired during the past year; a party is doing a survey at Conception Bay, Foxtrap. The vote under **Co-operative Extension** provides for wages and expenses of the co-operative field staff. Under Registry of Co-operatives, the vote covers the wages and expenses of the registry staff looking after the legal side of the work and the general office. The vote under Mines, General Office, provides for the Deputy Minister of Mines and his administrative staff. **Printing and Photography:** this division does all the photography for the Government, which is too expensive to get done outside or practically impossible to get done outside. When I say it is impossible for it to be done outside, no one has the specialized equipment that is necessary. The printing that we do is to meet the urgent needs of Government that private enterprise cannot meet on the same priority basis.

The **Mineral Resources Division** is the division of the Department which conducts such things as diamond drilling for pyrophyllite and limestone and gypsum.

These are the principal activities we have been concerned with for the last three years. I may say in passing that, at Manuels, is the only known commercial source of pyrophyllite in the world. In Newfoundland it has been known as talc, and I believe the area in there has been often referred to as the Talc Mine. We cannot as yet give the final results as to what reserves have been proven there, but the company concerned is sufficiently satisfied that sufficient amounts have been proven to warrant it, and they are now building a plant which will be used to crush, beneficiate and blend the ore. As far as the limestone at Humbermouth is concerned, up to the end of last year they had proven sufficient reserves for 100 years, to supply the standard of limestone required. You know last year there was a change in the standard, and things were made a bit stricter, upped somewhat. Since that time they continued further drilling, and up to this year they proved the necessary reserve for thirty-five years operation, and still have larger areas to drill over (at the higher standard). Finally, with regard to our drilling gypsum. We concluded the work the Department is going to do on gypsum last year. By that time we had proven 50 million tons and had indicated 180 million tons of good mineable high grade gypsum.

**Mr. Hollett:** What is the idea of proving up how much gypsum?

**Mr. Keough:** Well the company there envisioned—

**Mr. Hollett:** That is what I am getting at. The company. Why don't they do it? You sold them the gypsum plant. What is it for? Are they not the ones? Why could they not make the survey?

**Premier Smallwood:** They could indeed. One of the conditions of the whole deal was that we would do the drilling.

**Mr. Hollett:** That is the answer. That is what I wanted to know.

**Mr. Smallwood:** We are also to do the drilling for the cement mill and the pyrophyllite, and we have also done drilling all over Newfoundland for various companies and generally for—

**Mr. Hollett:** A Liberal Government all right.

**Mr. Keough: The Inspection and Mines Branch** is concerned with the administrative of regulations made under the Mining Act over the Province, for the safety of workmen and to assure the mineral resources of the Province will be mined in an efficient manner. Now, Mr. Chairman, that covers the details, and any question I can answer I will gladly do so.

On motion, Items 801 through 803 carried.

**Mr. G. Nightingale (St. John's North):** Mr. Chairman, at this point I would like to ask a question—have we had a doctor to examine the flora of the country? Did he pay any attention to the diseased vehicles lying around the country, and is there any thing to be done about them?

**Mr. Chairman:** That is definitely not under the subhead 804.

**Mr. Nightingale:** Is it not Forestry? As far as I can see it is a terrible state of affairs—the whole countryside—I regard Newfoundland as a beautiful country, and to see diseased vehicles lying around, which are a menace—Why should they be allowed to go there in the first place? What is going to be done about it? That is all I ask, Mr. Chairman.

**Mr. Hollett:** Rental of helicopter. To whom is that rented?

**Mr. Smallwood:** The word "rental" there means payment by the Government for the rental of the helicopter.

**Mr. Hollett:** I know, but from whom is it rented?

**Mr. Smallwood:** United Helicopters. So far, there is only one company in Newfoundland which rents helicopters, but Eastern Provincial Airways are bringing helicopters in if they have not already done so. We are about to rent them from them as well.

**Mr. Higgins:** Last year provision was made in some other department?

**Mr. Smallwood:** I think in Provincial Af-

fairs. Health paid it but Provincial Affairs were the co-ordinators of the use of it. We took over the balance of the contract from Health in July. This vote here and the one under Wildlife would cover the amount involved to the end of the year. The helicopter is used by our forestry people in flying over areas to assess the quantities of wood on them and is used by Wildlife people in flying over wildlife, moose and caribou, mostly, to assess the numbers of the herds.

**Mr. Hollett:** Will \$14,000 take care of it?

**Mr. Keough:** No. There is \$20,000 altogether, \$14,000 under Forestry and \$14,000 under Wildlife. That is \$28,000, altogether, it is the balance of the contract. I do not remember the month we took over but I believe it was July. This \$28,000 will cover the months from July to December.

**Mr. Higgins:** Mr. Chairman, under 804-03-04, Protection against Forest Fires: Sometime ago there was some mention made of airplanes being used to scoop up water and discharge it over forest fires. Is that included in that vote here?

**Mr. Keough:** Mr. Chairman, yes, that would be the procedure tried out this year for the first time in Newfoundland. We in the forest fire service engaged the services of a Beaver for, I think, three months of the year, June, July and August, on a standby basis to be available to fly men and equipment to the spot in the event of a forest fire, if and when reported. This year there were, I am told, twenty. On that Beaver, attached to each float are tanks which carry, the two of them, 500 gallons of water. The plane came down without coming to a halt, skips along and dumps it on the fire. It did prove very successful, I think. Actually, it was only used in one instance in putting out a fire, that was one on the Cape Freels Peninsula.

**Mr. Higgins:** It actually was used then?

**Mr. Keough:** Yes.

**Mr. Hollett:** Mr. Chairman, in connection with that vote for \$140,000, Protection Against Forest Fires; I believe the Federal Government is to assist in providing half the amount spent within Labrador, is that correct?

**Mr. Keough:** That is correct, yes.

**Mr. Hollett:** In answer to a question, I note it was half the amount spent in Labrador but not in every instance.

**Mr. Keough:** I think, Mr. Chairman, on the overall programme, about 52% of the vote was spent.

**Mr. Hollett:** 52% over all, I see.  
On motion, Item 804 carried.

**Mr. Renouf:** Mr. Chairman, I note under 805-03-06—Standardization of Marketing \$25,000: Does that mean, Mr. Chairman, increased activity in agricultural marketing or what?

**Mr. Keough:** The Standardization of Marketing Programme would cover three things. The Department has, in the past, made available assistance for groups of farmers. Take for instance, in my own district, in the Codroy Valley. The farmers there organized groups of farmers and put up a slaughter house and cold storage. One-third of the amount was made available by the Federal Government, one-third by the Provincial Government and one-third by the farmers themselves by way of labour and kind. We have several requests for, not exactly similar, although in some cases similar assistance. One group is looking for somewhat similar arrangements this year, another is looking for assistance in the construction of vegetable warehouses; and that Standardization of Marketing would cover that. That would be part of the increase. This year we hope to continue that advertising programme you may have noted last year, carried out by press and radio on agricultural products, around about from now until November. That ran to seven or eight or nine thousand dollars last year. We did not have that amount budgeted for and had to make it available from countervailing savings. These are most of the increases.

**Mr. Renouf:** That amount would be very small for the promotion.

**Mr. Hollett:** 805-04, I want to say a word relative to blueberries development; in

what way do blueberries develop? Is that the burning of land or what?

**Mr. Keough:** The vote for this year (and it would be a practically similar activity last year) covers the burning of blueberry land. This year, for instance 3,000 acres of blueberry land was burned on the Burin Peninsula, Bonavista Peninsula, the Avalon Peninsula, mostly from Avondale to Western Bay, and on to New Harbour Barrens. We also built roads to blueberry grounds and some bridges and culverts along the roads. That covers the wages for blueberry inspection and what not for the season.

**Mr. Hollett:** Did I not see somewhere, Mr. Chairman, the burning of land for blueberry purpose has not been successful and it ought to be discouraged?

**Mr. Keough:** This is news to me, Mr. Chairman.

**Mr. Hollett:** I did see it somewhere. Then with regard to Fur Farms. I note last year there was \$68,380 spent on development of fur farms, why, where and how, would the Minister please say? Why are we spending \$68,000 on development of fur farms?

**Mr. Keough:** Well, Mr. Chairman, I do not have the breakdown for last year, but to begin with, it was the operation of the Government; experimental ranches, the training programme carried out by the Department in conjunction with the mink ranches at Dildo whereby apprentices, young men who may go into fur farming, are apprenticed to the mink ranches. There was the salary involved for, I should call him a feed expert. We have acquired the services of an expert in nutrition who has conducted quite a number of experiments with feed over there, the result of which the mink ranchers over there much welcomed. Actually, they and the Government experimental mink ranch both gave them the credit for a 50% increase in kit production this year, up to the end of last season. The mink ranchers had in mink production for about two and three years averaged a kit crop of 3.1 I think it was, and they attributed that to the operation of the nutritional studies carried on. That is an annual grant of \$6,000 made available to fur farmers feed co-operation

over there, made available to them by the Government.

**Mr. Hollett:** Out of that grant?

**Mr. Keough:** Out of this, yes.

**Mr. Hollett:** In addition to the loan they got?

**Mr. Smallwood:** They only received one loan, several years ago.

**Mr. Hollett:** I would ask the Minister if he has received any complaint from the people of Dildo in regards to the operation of the whale operation there in connection with fur farms; any complaint from the people there? My information is that the stink is so strong over there that people can't even open their windows at certain times during the year.

**Mr. Smallwood:** I do not think there can be a single grain of truth in that. I have been over there very frequently and have not smelled it myself, and I smell very well, and I can smell as well as the next fellow, especially since I gave up smoking. In the second place, I think I would have been the first to hear it. I do not think there is any truth in that whatsoever.

**Mr. Hollett:** In the first place, if you like, or the third place, I happened to be in Dildo and spoke to about 20 men, residents of the place, and they all concurred in the fact it is almost impossible to survive there in the stench from the processing of the whale meat. Now there may not be a word of truth in it, but these people ought to know.

**Mr. Smallwood:** I will say there are people pretty hard put to find something to criticize. I would say that if you were to take a referendum of the people of Dildo and New Harbour and that whole area there, you would get an overwhelming, an absolutely overwhelming approval.

**Mr. Hollett:** I am not talking about doing away with the whale business nor anything of that kind, I am talking about it from the point of view of health. The Government itself has something to do with health, you know, and when you get a stink like that—I

remember away back, when a boy, there was a whale factory about 12 miles away from where we lived, and when the wind came down from the southwest, true enough you could scarcely survive where I live, 12 miles away from the whale factory. So that we can well understand there is quite a stench over in Dildo at the present time.

**Mr. Smallwood:** There is not.

**Mr. Hollett:** The Hon. the Premier says there is not. All right. I hope that will be recorded. Pasture Lands: \$12,000, what is that for? There was \$10,000 spent last year, and I am wondering where are the pasture lands, and are they being used for Government sheep or what?

**Mr. Keough:** The Royal Commission on Agriculture recommended that we should conduct experiments with enclosing of wild pasture lands, fence them, then rock them and lime them, fertilize them. We have enclosed seven or eight hundred acres (fenced) and broken the ground and limed and fertilized it, at Country Road in behind Bay Roberts, and there are about 100 or 250 or 300 sheep from the general area there using that this year. That would account for most of the vote, and that would account for all of the vote last year. Some of that is carried over, to be paid for this year. It is also intended to enclose another pasture in Shearstown. We have built the necessary short piece of road into the area right now and enclosed probably about 200 acres there.

**Mr. Hollett:** I take it then it cost \$10,000 to date to graze 200 sheep on this Government enclosed pasture.

**Premier Smallwood:** No. That is not so.

**Mr. Hollett:** That is what the hon. minister says.

**Mr. Smallwood:** He did not say that. My hon. friend was not listening, really, to hear but only to get up to criticize, and therefore did not listen impartially.

**Mr. Hollett:** That is what I am here for, and intend to do while I am here. I intend to do

it while I am here. I asked the Minister what was being done with so and so and he gave me the information—there were several areas enclosed by the Government and that amount of money, and I take it some 200 sheep are being fed on it now. If I am not right, perhaps the Minister will correct me.

**Mr. Smallwood:** Mr. Chairman, I had today, this very day, a letter from Saskatchewan, from a man who visited, or a man rather whose partner visited Newfoundland a few weeks ago, and when he did his activity aroused a tremendous amount of public attention and interest, because when his partner came here he purchased a considerable number of ponies on the Burin Peninsula and took them off to the Mainland of Canada, and everyone wondered why this man was here buying these ponies. Well, I had a letter today, I received this very day, a letter from the partner of the man who was here earlier this year, and it turned out that these two men are partners in a cattle ranch, cattle and sheep ranch in Saskatchewan, and they are well known and the Premier of Saskatchewan is well known to them and they to him. They are well known cattlemen and sheepmen of the great Western Province, the Province of Saskatchewan. He tells me in his letter that his partner was tremendously pleased by what he saw in Newfoundland, or our wild open pasture lands, speaking more particularly of what he saw on the Burin Peninsula. Now, he proposes to come down here towards the end of the present month to have a talk with me on the question of his establishing a considerable ranch here in the Province of Newfoundland. I have arranged for him to come, and we are going to go out and look at some of the wild open pasture land we have here in the Province of Newfoundland, on the Burin Peninsula and elsewhere as well.

**Mr. Hollett:** Keep him out of it.

**Mr. Smallwood:** Keep him out? I will do all I can to keep him in. The Burin Peninsula is one of the best natural pasture lands for cattle, and especially sheep, that you will find anywhere in Canada today.

**Mr. Hollett:** It is the best?

**Mr. Smallwood:** I would not say it is the best but it is one of the best, so why keep him away?

**Mr. Hollett:** Because the people up inside Lamaline can use it themselves.

**Mr. Smallwood:** There is not room for another man?

**Mr. Hollett:** Not a subsidized man.

**Mr. Smallwood:** Who is suggesting subsidy. The hon. gentleman is so eager to criticize, before he hears, before I am even finished he starts criticizing. He is not prepared to keep an open mind. He has already committed himself against it. His bridges are burned. Be quiet and listen a while, objectively. His proposal is that he and his partner would bring a flock of 2,000 ewes and commence sheep ranching. Now, last year the present Minister of Highways and the present Minister of Education and I drove right around the Burin Peninsula. I can say quite candidly that, although I had been there before several times, and although I had flown over it many times, in big planes and small, and by helicopter, it was not until last summer I discovered what a tremendous area it is for the grazing of cattle and sheep, both or either. I was up with the present Minister of Health and the Minister of Highways to the area from St. Vincent's right across Holyrood Pond and south from there to Trepassey and I would venture the opinion that that country there is one of the best grazing areas that you will find anywhere in Canada today.

Now, I would not make a statement like that three or four years ago because I had not, up to then, visited the foothills of Alberta, the great cattle and sheep country, and I had not acquired very much personal experience of Manitoba and Alberta and Saskatchewan. But since then I have. The Deputy Minister of Agriculture (Mr. Pat Murry) who was born on a farm and never lived anywhere in his life except on a farm, except when away to farming college, agricultural college, went for the Government through the cattle country of Wyoming and Nebraska and the cattle and sheep country of the midwest and southwest of the United States, the country that is famous; you see it

in novels, the great cattle and sheep country of the United States, which is world famous right around the world. He is a practical man. He knows grazing. He knows grass as well as and far more than anyone in this house. He is a very practical man. He said that our pastures, our wild pastures in Newfoundland, are incomparably better than the best pastures he saw in the cattle country of the United States. Now there may be no glamour in that for the Leader of the Opposition.

**Mr. Hollett:** No, because Newfoundlanders can do it.

**Mr. Smallwood:** That is a highly patriotic position to take. Bar out anyone. Let Newfoundlanders do it. Sure. I could not disagree with that. That is a perfect position to take. I had a visit here in St. John's ten days or a week ago from the Tory Minister of Agriculture of the Province of Nova Scotia; an old school chum of mine, a Newfoundlander, Haliburton. We went to school together. We grew up partly, for a while, as boys together at Bishop Field College, boarding there together in the same dormitory. He came down the other day, partly to see me, but primarily to look at the bogland draining. I can tell you, Mr. Chairman, every Minister of Agriculture across Canada, including the Minister of Agriculture of Canada, the Federal Minister, has heard about this bog draining—right across Canada, in every Province. Haliburton was tremendously interested. He went out there and had a look at this bogland draining out near Colinet, and when he left here he took a plane out to Stephenville and from Stephenville which is near his own home, where he was born, he went by car around the St. George's, Port au Port area; and he described a great bog out there which we knew about. Incidentally, Dean Shaw was the first to bring it to our attention. He said this in his letter to me, written since he went back, (I wish I had his letter here). In fact I sent up to get it and the wrong one was brought back, another letter from him. I had two letters. I wish I had the letter here to quote Mr. Haliburton who is perhaps the most successful farmer in Nova Scotia, with 1,200 acres under cultivation. He is Nova Scotia's greatest farmer and Nova Scotia's

Minister of Agriculture. I have been over his farm. He is practical to his very finger tips. He has been farming for twenty-five years and is immeasurably successful. He said that this bogland draining programme is the most exciting thing he has seen in Canadian farming lately.

Now, they have a programme of their own on the Mainland, a reclamation programme, where they have excellent pasture.

I tell you, Mr. Chairman, in our own country, our muskeg country, our big open regions and our boglands we have something that is—I know—I know—I realize completely that most members of this house do not take it seriously—I know—I realize that quite well—I am well aware they do not take it seriously. It has no glamour. It has no sex appeal, politically speaking. I realize that. But I say this: I say that when the whole story is told, one of the most significant things that this Province has done, this Government has done, and we have done many things, some of them stupid, some of them terribly wrong, that we can't believe it ourselves—

**Mr. Hollett:** True.

**Mr. Smallwood:** True. Perfectly true. But we have also done more than any other Government in Newfoundland's history, good things.

**Mr. Hollett:** We heard that yesterday.

**Mr. Smallwood:** Yes, and you will hear it tomorrow and for as long as you live you will hear it, because when I stop telling you after I am dead, the text books will tell you about it, about the accomplishments of "the first ten years." One of the great accomplishments is the gamble taken to go out and drain bogs in Newfoundland. It was a gamble. But we had reduced the gamble to a minimum first by sending Dean Shaw, accompanied by Pat Murray (who is a rock of common sense and who knows farming) to the North of England, to Scotland, to Ireland, to Sweden, to Norway, to Denmark and to Germany to look at their bog draining and see what they were doing, to find the most successful example of it in Europe. They found that out. It was Ireland that had the most successful bog draining and bog

reclamation programme to be found anywhere in Europe. Out of the millions and millions of acres of bogland which had been reclaimed in different countries, the outstanding example was Ireland.

They were also asked to find out the best machinery in the world to handle bog. They found it was in Scotland. A man named Cuthbertson is the inventor and manufacturer. He is himself the designer and manufacturer of the machinery. His machinery is the best in the world. We then brought him here to watch his machinery working in our bogs, and to make any adaptations that might be needed to make his own machinery more efficient under Newfoundland conditions. The result of all this put together is that, out on the Colinet Line, we have one of the most significant agricultural development that you will find anywhere in all Canada today.

Now, this pasture land—We have how many million acres, do you remember, not of bogland but the other type—We have several million acres in Newfoundland of wild pasture, wild native grass, that is wild, without clover, and the other grasses we have growing in Newfoundland that are native, natural that grow all over land in Newfoundland, under any kind of encouragement. Now all our land in Newfoundland (one-third of the North American Continent, if you draw a line north and south running about Toronto straight down, everything east of that is very acid) and in Newfoundland perhaps more so acid than anywhere else. If you go out and lime that land, put limestone on it, ground limestone, and then if you went to put a little extra chemical fertilizer, what you can do with that land—don't make it arable, don't try to cultivate it—just improve it and the result is absolutely astonishing. I can take hon. members and I can show them land within five miles of St. John's, show them wild natural places where all that was ever done with it was that people went in over it shooting partridge, catching rabbits, now turned into magnificent grazing, I say, magnificent grazing. I can show you hundreds of acres of that, brought about by just spreading a bit of lime and a minimum of fertilizer, no seeding, just limestone and a little fertilizer.

So we are spending this year \$12,000 to carry on that experiment. Dismiss it if you

like—Call it \$12,000 for 200 sheep to graze on. That is not worthy of Newfoundland statesmanship. That is not worthy of Newfoundland patriotism. We will spend this year \$75 millions. If we spend \$12,000 to carry on this experimentation of improving our native grassland, and if we spend another twelve next year and the year after and then for ten years, and if in the end it results in our sheep population growing from hundreds to thousands (as it is now) to millions, then my hon. friend, when he is up in his 80's, will be pleading with me and pleading with all of us on this side of the house, not to remind the public of the time he used to sneer at this great sum of \$12,000 being wasted by this wasteful Government finding grass for 200 sheep. He will plead with us not to be reminded of it, or that we should not tell anyone else. Let him get up and now and congratulate the Government, the Minister, for having the initiative to carry on this experimentation and spend the money on it again this year on this great bogland programme. Then having that, let him get a car and with the Minister or with me or with both of us go out to Colinet and go over the land and see what they have done out there, go out and have a look at it. Then let him come with me.

**Mr. Hollett:** How many acres have been cleared so far?

**Mr. Smallwood:** 1,000 acres up to last year. That is a lot of land. I know how long it takes to clear 1,000 acres in Newfoundland; the cost and the back breaking labour. I also know how easy it is now to reclaim 1,000 acres of beautiful black bog, which when you drain it is extremely rich in humus, and would produce the most magnificent crop, whether it be grass or vegetables. Your Honour will be surprised to hear this. Last year when I went up there and saw potatoes growing in this black bog, I looked across the road and said to Healey: "That looks like potatoes". He said: "Yes, Sir, they are potatoes". I said, "We did not bring you out from Ireland to grow potatoes, we brought you out to drain bogs to grow grass for cattle and sheep". He said: "I just did it to see if they would grow the same here as in Ireland." I said: "You do not mean to tell me they grow potatoes in the bog in Ireland".

"Oh yes, Sir," he said, "the Irish potatoes produced in Ireland, which have a world wide reputation, are all grown in these black bogs in Ireland." When they are grown in these black bogs and transplanted into these mineral soils of other countries you get the driest and sweetest kind of potatoes in the world. Sure enough, last fall I was intensely interested to discover the potatoes taken out of this bog in Colinet were as good as any I ever saw. What would be, I thought, bags of water, turned out beautifully, smooth, thin-skinned; which is more than can be said for some of us here in this house, and perfectly dry potatoes to eat. So do not sneer at this programme. This is really one of the really significant things to happen in Newfoundland for a good many years past.

**Mr. J. D. Higgins (St. John's East):** Mr. Chairman, may I ask the exact amount spent on draining of bogs last year?

**Mr. Hollett:** \$71,000. Mr. Chairman, I must say I did not know I was sneering. A fellow gets up and asks a question is supposed to sneer if he happens to cut across any pet project of the Hon. the Premier? To speak about boglands and pasturelands is almost like speaking about God, and Billy Graham. We, in the last few years, advocated this \$100,000 for reclamation of boglands.

**Mr. Smallwood:** If my hon. friend would allow me; if you spend money to get machinery, bring it in here, pay the freight on it and then bring it in here, then bring the designer over here and get him to readapt it, and go the expense of readapting it, then when you have reached the point where you have 1,000 acres, to divide that 1,000 acres into the amount and say that much per acre is unfair, because next year there will be another thousand and three, four and five thousand. It is not fair to charge up the full cost against that 1,000 acres. That is just not realistic.

**Mr. Hollett:** All right, Mr. Chairman, facts are facts. We allocated just about \$300,000 in the last three years which was devoted, according to this, to boglands. I do not know all the red tape it has gone through, sending people all over the world, trying to get Healey to come out here. They probably



went on other business as well as that. But I am just making a statement of fact. I made a statement of fact about the pasture lands, and touched on a subject very dear to the heart of the Hon. the Premier who loves farming, who has a big farm; and anyone who dares say anything about farming in any way or just look critical of it, then he is up in arms.

Now, about the Burin Peninsula, Sir. I admit there is ground on the Burin Peninsula that was used before the Premier was born. There is land up inside Lamaline area where beef was grown the like of which you will not purchase today and the grazing lands are still there. Unfortunately, there are not enough people going into growing beef, not as many as there were in those days. Now, I maintain you should encourage a few of the people up around Lamaline to increase their cattle, encourage them; don't bring in somebody else from across the way to do it. Let some of our Newfoundlanders do it, because it can be done, and I tell you you can raise some of the finest steers on that pasture land up there that can be raised anywhere in this world. Now, before I sit down, Sir, I would like to ask a question on the next item, Farm Loan Board Administration. That is apparently just a token amount. What I want to find out is, if the Minister could tell me, to whom farm loans were made last year. There were twelve people who got loans. Could the hon. minister give the amounts of loans made in each case?

**Mr. Keough:** Mr. Chairman, I am afraid I could not do that without access to the Board. I could get the information.

**Mr. Hollett:** Thank you, very much. I have the names of the people.

**Mr. Keough:** If the hon. gentleman were kind enough to let me have the list I will supply the information.

On motion, the Committee recessed for ten minutes after which Mr. Chairman resumed the Chair.

**Mr. Hollett:** What is this Subsistence Farming? This is a new vote, \$10,000.

**Mr. Keough:** Mr. Chairman, arising out of the report of the Royal Commission, the

activity of the Department is geared mostly to assisting commercial farmers who depend on farming for their livelihood. But we have been getting a growing number of requests for the past year for making assistance available by way of machinery and other things to so called subsistence farmers, actually who grow a sufficient amount for home use, and perhaps a little over and above to sell. If this vote is passed here, we will put together a policy in the department and ask for approval of that policy, to provide some funds to give assistance along that line.

**Mr. Hollett:** Mostly by way of machinery?

**Mr. Keough:** Actually we have not crystallized our own thinking on it yet.

**Mr. C. A. Sheppard (Harbour Grace):** Before going on from 805. Some \$10 or \$12 thousand were spent on the pasture over there on Country Road, in the Shearstown area in order to develop these pastures. I feel quite sure that the people of that area, Shearstown, Bay Roberts, Country Road, do not feel that money was wasted. I would like to draw the attention of the hon. members to the fact that on Wednesday (that is tomorrow) there is a sheep fair being held at that pastureland, which I feel quite sure, if any hon. member could get time off to go over there and see, would find quite interesting. I understand from the Director of Agriculture, whom I was speaking to just this morning on the same matter, while this year there are only 250 sheep and ten herd of cattle on that pasture which has been developed, he feels that the area as presently developed could easily pasture six times that number of sheep and cattle.

My main reason in speaking of this was to draw the attention of the hon. members to the fact that a sheep fair is being held over there on Wednesday, and if anybody in the house is interested in seeing what a small community like Shearstown can do in sheep raising, and moreover sheep breeding, I think they should go over. It is not politics, as far as I am concerned. I am not a farmer. I know very little about farming, as do I about a good many other things, but I do think it would be most interesting and an education to anybody who cared to come over on Wednesday. If any hon. members

would care to come with me, I would be glad to take them and do all I could to show them around, so that they may judge for themselves whether this \$12,000 which has been spent over there has been spent wisely, and whether it has helped the people of that area or not.

**Mr. Smallwood:** We might finish up all the business of the house and "all hands" go over. Would that be all right? Work all day tomorrow and tomorrow night, tomorrow morning, afternoon and night and finish up tomorrow night and then all hands go over on Wednesday morning.

**Mr. Hollett:** That pasture land over there—is that related to the success of the sheep raising in that area?

**Mr. Sheppard:** Mr. Chairman, while the sheep were there before the pasture land—

**Mr. Hollett:** What did they feed on? Cats?

**Mr. Sheppard:** I suppose like other sheep they ate oats as well as other grazing. The sheep were there before the pasture was developed, but there is an outbreak of this "Blueberry Fly" or whatever they call it around Conception Bay at this present time, stretching, I understand, from Western Bay as far south as Kelligrews. In that area where these sheep have been kept this year, and supervised dipped and general supervision of the welfare of the sheep (I suppose they have welfare) there was not one case of the "Bluebottle Fly" disease, I am informed by the Director of Agriculture, among those sheep on that pasture land. Now, some 30 to 50 sheep perished and had to be destroyed in the area from Western Bay to Kelligrews, but there has not been one case in this area. The unseen benefit, in my opinion, from a development like this, is the fact that sheep breeders themselves and the sheep owners in that area are learning good animal husbandry due to the fact that it is there. That is one of the unseen advantages.

**Mr. Smallwood:** That is right. Another thing, if I may supplement that, the practise in Newfoundland in raising of sheep has been an extremely simple and primitive one. It consisted of, and still does consist of,

a family with six or eight or ten sheep or four or five sheep and occasionally what is considered the large number of eighteen, twenty or twenty-five. The 100,000 sheep we have are owned by 4 or 5 thousand families. It is true they give these families part of a living. The practise is to bar them up in a small outhouse in the backyard somewhere, and on warm days in the winter perhaps let them out in the sun and sort of half carry them through somehow in the winter. Then in the Spring, when the last scrap of hay is long gone, let them out around the yard and out on the road, the highway. They then spent the whole Spring, Summer and Fall nibbling the bit of grass they can get along the side of the highway and by reaching in through fences to steal a few blades of grass. Now, the consequence of that is that the sheep become contaminated by eating continuously on the same land, which becomes contaminated land and the cycle of worms is unbroken, continuous, goes on forever because the land itself is polluted. You do not kill the worm eggs by frost in the Winter, and the sheep are there every year, year by year, unbrokenly so that the cycle is preserved.

Now, the modern way to do it is to take the sheep away from the settlement, take all the sheep. A man knows if he has ten ewes or twenty. They are identified by earmarks. They put them all in one flock, maybe 200, 600, 800 sheep, in a community pasture. If you now have four or five sheep where you have a community pasture the number of sheep can easily go up to 20, 30, 40, 50, 60, 70, 80, or 100 sheep, if there is a community pasture with someone in charge of it. It is done in England and in Scotland, community pastures with someone responsible for the sheep, to dip them, work them, keep them clean internally and externally, and take care of breeding, have purebred rams for two or three generations, and improve the breed tremendously by introducing the best blood lines. That is a matter the Government helps in. There is, in fact, a policy of subsidizing the good rams which are brought in from the best stocks in the world. Thus, in the course of a few years, by improving these pastures, fencing them to hold flocks of 600 or 800 on each of the pastures, you can quickly increase the sheep population of Newfoundland from the present 90 to 100,000 by several fold and get up to perhaps 500,000 sheep. Do you realize

that Newfoundland today is the third biggest Province in Canada for sheep? While the sheep population is declining in the rest of Canada, in Newfoundland it is increasing. The hard fact is that we can be a sheep country. We can, and this is the way to do it, by means of this community pasture programme. If the hon. Leader of the Opposition would accept the invitation of the hon. member for Harbour Grace and go over to this fair it would not do him any harm politically. He will find several hundred people there at the sheep fair. If the hon. Leader of the Opposition goes over there and shows an interest and does not go sneering at community pastures but look at the sheep, talk with the people, he might even get some votes.

**Mr. Hollett:** Tell the story about the foggy day.

**Mr. Smallwood:** I would like to.

**Mr. Hollett:** Our sheep won't stay on pastures. They want to go home.

**Mr. Smallwood:** If it is fenced they cannot go home. That is the beauty of fencing. On motion, Item 805 carried.

**Mr. Hollett:** 808 Crown Lands and Surveys — Perhaps the Minister can explain this section, but I was informed today from Roddickton of a case where a woman (the wife of a returned soldier) made application sometime ago for four acres of land in Roddickton on which to build a restaurant. Subsequently, one Chester Dawe, (I think I heard of him before) made application for the same piece of land for industrial purpose. I take it that was Crown Land. He made application for the land for industrial purposes. Well, she made application for it to put a restaurant there. Both applications, according to information I got from the Mines Department, were considered and it was felt, since Chester Dawe wanted it for industrial purposes, it should be given to him. Now here was a case where you have a woman, a soldier's wife, and incidentally she employs at the moment, I believe, some twenty odd people there and hoped to employ ten others shortly, the wife of an ex-serviceman who wanted this piece of land and made application and later Mr. Dawe makes application and he gets the land. I wonder would the Minister explain that?

**Mr. Keough:** I don't know, Mr. Chairman, that an explanation is necessary. I mean there were two applications, apparently, for the same piece of land. These small applications come into the Department for pieces of land, summer cabins and that sort of thing, and are studied by the land development committee in the Department consisting of the Director and Assistant Director of Crown Lands, somebody from Forestry and Wildlife. I think these are the people concerned. They consider the relative merits of any application for a small piece of land and make recommendations which are endorsed. Apparently in this case, what happened was this lady applied for this piece of land to build a restaurant on and subsequently it was applied for by Chester Dawe who has already, I believe, made arrangements to move a \$30,000 planer in there and intended to conduct an industry of 3 million board feet of lumber production per year. I think, on the basis of a relevant industry for the place, the recommendation was made that Dawe's application be approved.

**Mr. Hollett:** That does not sound to me very good. My information is that this man Norman spent four years in the Army, and is now partly disabled and they have a business there which employs 28 people (the sawmill business) and expects to employ another 10, in their future, cutting birch and railway ties for Newfoundland Hardwoods, and he made application for four acres of land. They are living in the place and employing all these people. And subsequently, after this woman applied, Mr. Dawe applied and he got it. I do not call that fair and square nor anything else. I am quite sure the Department ought to take another look at it because he is a man, native to the place, employing 28 people and wants a piece of land right where he is working, cutting logs and railway ties and so on. Subsequently Mr. Dawe (and I have nothing against Mr. Dawe but he has a lot of concessions in this country if my memory serves me right) and this poor ex-serviceman with some four years in the service for the country —

**Mr. Smallwood:** Did the Hon. Leader of the Opposition say four acres? Four acres on which to build a restaurant?

**Mr. Hollett:** They now use the land for a

lumber yard. I am sorry I became mixed up with something else, I guess. He is using the land for a lumber yard. That is what he wanted it for. So I would like the Minister to take another look at that in the interest of fairness. I am quite sure.

**Mr. Keough:** Mr. Chairman, I will undertake to take another look, but if an application came to us for a restaurant, and four acres, certainly on relative merits between the business served by a restaurant or a new industry, the community would be better served by the new industry. However we will review the matter.

**Mr. J.D. Higgins:** (St. John's East): I must say if this is already in existence and operating, supplying birch and railway ties to the Newfoundland Hardwoods, the Minister might very well give it a second look. It is my understanding that my Leader has a wire saying these people have been operating for some years now, supplying Newfoundland Hardwoods with railway ties and birch; and this land was to be used for a lumber yard; and apparently this business of a restaurant was something that came from your own Department.

**Mr. Keough:** Mr. Chairman, I have no recollection whatsoever of this matter of a lumber yard supplying Newfoundland Hardwoods with timber. My recollection is that the application was merely for a restaurant. However I give my undertaking that we will have another look at it.

**Mr. G.R. Renouf** (St. John's South): Mr. Chairman, Expropriation of Land Under Crown Lands, what is that used for?

**Mr. Keough:** Mr. Chairman, we are authorized by an Act, under the Distribution of Unimproved Land Act, I think, to appropriate a block of land at Robinson's on the West Coast, of roughly 20,000 acres from the American Telegraph Company. The reason for that appropriation was the company had done nothing with it for years, and farmers in that area were trapped between their own land and the sea and could not expand or acquire additional land. This is the expropriation money which would be involved to pay for the land which must be expropriated.

**Mr. Higgins:** Recreational Areas?

**Mr. Keough:** That covers the picnic and camping sites constructed during the early part of the year in conjunction with the Federal Government who share half the cost.

On motion, 808 carried.

On motion 810, Miscellaneous Services, carried.

**Mr. Renouf:** Under 811 Fishing Lodge, is that the Gander Cabin?

**Mr. Keough:** Yes.

**Mr. Renouf:** This matter of Predator Bounties, \$1,500, is that for crows and things of that sort? That is a small amount.

**Mr. Keough:** Mr. Chairman, I believe it is mostly a matter of money provided for bounties on lynx.

**Mr. Higgins:** There are no bounties on foxes now?

**Mr. Hollett:** What is the bounty on lynx?

**Mr. Keough:** Pardon me, Mr. Chairman. The explanation I gave was not quite correct. We have discontinued the policy of paying bounties on predators and we hire people to trap them. This is the cost of several people hired to trap lynx, mostly on the west coast.

On motion, 811 carried.

On motion, Items 812 through 820 carried.

**Mr. Hollett:** Printing and Photography, 821 — Photography of what?

**Mr. Smallwood:** Documents, all kinds, photographs of building and land sites and the like.

On motion, Item 821 carried.

**Mr. Hollett:** I wonder if the Minister would give a statement on mineral resources, which cost \$150,000 a year? Is there any statement the Minister could make in regard to our mineral resources.

**Mr. Smallwood:** He made a detailed statement on it.

**Mr. Hollett:** I was thinking of something else at the time. I am sorry.

On motion, Items 822 and 823 carried.

Department of Mines & Resources carried.

**PUBLIC WORKS ESTIMATES:**

Department of Public Works.

**Hon. J.R. Chalker** (Minister of Public Works): Mr. Chairman, Current Account estimates for the Department of Public Works are just about the same as they were last year. This is the first full year that the Department of Public Works and the Department of Highways have been separated. Most of our heavy work is in Capital Expenditure, which I will explain when the part of the estimates are dealt with. The biggest item on Current Account is in maintenance, which increased, I think, approximately \$100,000 due to an increase in wages to carpenters and other tradesmen, and cutting back our number of hours worked, I think to an eight hour day.

**Mr. Higgins:** About time.

On motion, Items 901 through 908 carried.

**Mr. Hollett:** Under 909 — Wharves, Breakwaters and Ferries, I want to say one more word about that petition and the Placentia ferry.

**Mr. Smallwood:** That is under Highways.

**Mr. Hollett:** Well, we will come to that.

On motion, Item 909 carried.

On motion, Department of Public Works carried.

**DEPARTMENT OF HEALTH:**

**Dr. J.M. McGrath:** (Minister of Health): Mr. Chairman, I do not propose to delay the Committee very long. There are a couple of points I think should be noted, a matter of some changes in the estimates from last year, which might save the time of the Committee if I explained them now. The two major things that happened in the Department of Health in the past year were the promotion of two new, and I hope I might say, great public services (1) the second phase of the Children's Health Plan by which all children up to the age of sixteen now receive free medical and surgical attention while in hospital, as well as hospitalization; and (2) the introduction in July, in conjunction with the Federal Government, of a hospital insurance plan for every citizen

of Newfoundland. So that the position now is that all children up to sixteen receive both hospitalization and medical and surgical and diagnostic services without charge to them, whereas people older than sixteen receive hospitalization.

When this scheme was brought in in other parts of Canada, I think in most, or without exception, it was a premium scheme, by which everyone pays a premium for protection. In Newfoundland, due to the fact mainly that the people here are deeply involved in providing medical services to the people, we are able to bring in the scheme and extend it to anybody without any increase in the cost. In fact, it is the other way around. Today we actually receive back more now from the Federal Government than the scheme will cost us. I think we should more or less have, in a full calendar year, gained about \$2 million in cash, as well as bringing in hospitalization for everyone in the country. The reason for that is that, under the arrangement with the Federal Government, we are paid two different ways — 25% of the Federal Government's contribution is based on our hospital costs in Newfoundland — the other 25% is estimated in hospital days based on the overall cost for Canada. As that is greater than the cost in Newfoundland, we will receive back about 72% of the total we spend on hospitalization. I have a few figures here to quote. I have copies of these for the press.

**Children's Hospital Plan:** As you remember, before last year, 1957, the first part of that was introduced by which children were given hospitalization, and the payment of hospital bills has been in effect since January 1st, 1957. The total, including the cost to the Government, has been \$1,150,000. Roughly about 10,000 children were admitted to the hospital with 131,138 days.

The second phase, the amount is not yet in. That has been in force since February this year, 1958. After six months operation the cost was approximately \$165,000; these were amounts actually paid out but did not include costs in hospital. For St. Anthony, Twillingate, and cottage hospitals they do not make any individual payment, but in these places the doctor performs services on a salary basis. The cost of that shows in salaries estimated about \$165,000 for six

months — actual fees for services paid to doctors not employees of the Department of Public Health, not Federal but Provincial. Of course, the hospital plan has only been in operation two months as yet, and it is much too soon to produce statistics for services. It should be noted the cost of phase one has now been absorbed into the larger plan by the Federal and the Provincial Governments in conjunction.

The cost of all hospital treatment in Newfoundland is approximately \$8,200,000. That covers everything except sanatoria and mental. All general hospitalization costs are shared with the Federal Government, but all hospital services are not. For example, the cost of private beds in hospital, and so on, are not shared costs of the hospitalization plan. There are other agencies responsible, Workmen's Compensation and that sort of thing. But we will receive back from the Government of Canada approximately \$4 million.

Now, there are a few points in the estimates here I might draw attention to. Some of these figures have changed very much. For instance, under Tuberculosis you will find the grant to the International Grenfell Association has not been changed. It is still \$45,000. But the Notre Dame Bay Memorial Hospital grant apparently has been reduced from \$20,000 to \$5,000. I say, apparently, because in the Notre Dame Bay Memorial Hospital we do not have a separate Tuberculosis wing, and by other arrangements in that particular hospital, Tuberculosis comes under the hospital insurance scheme, and the other \$15,000 we seem to have taken over goes back to them in the form of payments under the Hospital Scheme. So that they are not worse off, but actually better off under that arrangement. In the St. John's Sanatorium grant there is a reduction of about \$150,000. That is not saving really, because, while it comes out of the St. John's Sanatorium, because the Sanatorium has been closed down, those costs will enter again under the Mental Hospital Dispensary, because we will now have the beds that were being used for Tuberculosis patients available to reduce the overcrowding of the Mental Hospital. In the same way, grants to non-Government Institutions have in some cases been cut down. For example, the amount to the Grace Hospital and the Notre Dame Bay

Memorial Hospital apparently have been cut quite heavily in their direct grants, but the hospitals will get that money back, and more with it, under the Hospital Insurance Scheme.

I have a few brief, general remarks to make which may be of interest to the Committee. One is with regard to what is the main subject of the new health organization, the prevention of disease in the community. The situation has been very gratifying over the past few years and even our general death rate has gone down to 7.5 from a general death rate of 11.58. That is the general death rate per population, which was the average in 1950. Infant mortality has gone down to 39 from 61 in the five year average from 1950. In Tuberculosis, the figures are actually startling, in that the five year average from 1946 to 1951 was 101, and from 1950 to 1957 it was 19.2. Maternity death rate was reduced by something like over 30% from 2 per thousand births to 1.3.

**Premier Smallwood:** Are these all five year periods?

**Dr. McGrath:** Yes, but the last is actual for 1957, which is the last year we have, of course. Now that in itself is certainly most gratifying because it is quite an achievement. I believe the hon. member for St. John's South complained the other day that we had a tendency to boast about achievements. These are actual facts, tremendous advances. I am sure the hon. member will admit we are none the worse for their having been implemented by the Liberal Government. While these figures are gratifying, I still think in several of these, say Tuberculosis, we are going to be a long while before we can eliminate the last traces. In other words we cannot expect any dramatic reduction in the rate from now on because we have gotten down so low, compared to what it was, it is becoming harder and more difficult to root out the cases and more difficult to find them. I think progress from now on will be slower. At least, we have now come down to the point where it is no longer the fatal social menace it was not so many years ago.

**Mr. Hollett:** How does it compare with the rest of Canada?

**Dr. McGrath:** Ours is 19.2 and the average for all Canada is 7.1. The next highest Province to Newfoundland is Prince Edward Island with 11.1.

**Mr. Smallwood:** We are still by far the highest.

**Dr. McGrath:** We are still the highest.

**Mr. Rowe:** Was it not at one time more than 100.1.

**Dr. McGrath:** In 1938, my first experience, the death rate was then about 230.

**Mr. Hollett:** For four hundred thousand population. In other words, for every death, we had two, years ago.

**Mr. Smallwood:** It has gone from 230 in 1937 to 90 now?

**Dr. McGrath:** That is right.

**Mr. Smallwood:** In 20 years.

**Dr. McGrath:** I am happy to say this year we have carried out an extensive vaccination campaign. I cannot say if that has anything to do with the low rate of polio. Polio is erratic. Until we get all the children vaccinated, at any time we could have a very serious outbreak of polio. We cannot be sure, because even in the days before there was any protection against it, sometimes we went for years and decades without any great outbreak whatever. It is too soon to make any claim, because there has been very little in the last two or three years. Unfortunately the public loses interest. I think it was in 1949, was it, the last big epidemic of polio. Then people were very anxious to get something done, but the public soon forgets because there is no polio for a few years. We are not getting the response from the parents in giving the children protection they could get. There is not very much more we can do about it. We have polio teams out working, doing everything they can to get it to the people, but I am afraid the public indifference is likely to result in not enough of our children getting protection which is now available for them. There is one other thing which may be of interest to the Committee and that is the

question of medical nursing personnel. That is always one of the critical worries and still is. So far, we have not done too badly about medical personnel, but we are still having difficulty with nurses, particularly for district nursing in the more isolated places, which we find it very difficult to fill. We have many places that we had previously established nursing stations which are vacant at the present time, and which we would like to open, because people need the service badly, but we cannot open them simply because we cannot get a guarantee of continuity of service. Here is the position, Sir, of district nurses. Fifteen of our district nurses are from Britain and six from Newfoundland, but all of those six are married women who are married nurses in the outports, living there as ordinary residents. Of course, we are able to avail of their services. It is fair to say however, we have not one single Newfoundland nurse practicing her profession in the ordinary way of practicing it in the outports in Newfoundland. All fifteen of the full time nurses who are not married residents in these places where they are, are from the British Isles.

**Mr. Smallwood:** Would it be fair to say the only district Newfoundland nurses today working in the outport districts are nurses who are married and living where they are working?

**Dr. McGrath:** That is right. Now when it comes to doctors and cottage hospitals we have eighteen Newfoundlanders and fifteen from the British Isles, practically half from the British Isles, and in the districts, apart from the hospitals three are Newfoundlanders and thirteen from the British Isles. Of nurses in the cottage hospitals, we have twenty Newfoundlanders and thirty-one from the British Isles. So you see our local recruitment would not begin to fill our services, and we are extremely fortunate to be able to get these skilled and devoted people from the British Isles. I hope the supply will continue, as the position we are in is that all these girls are brutally overworked because we cannot help it.

**Mr. Smallwood:** There are positions not filled?

**Dr. McGrath:** Many of them. That is why

the others are overworked. In the summer-time, they have no holiday relief when the girls get holidays, because we have no one to replace them. If they are nursing in a cottage hospital, when one goes on holidays the other two have to carry on. So we have to bring nurses in from the district to the cottage hospitals to carry on while the cottage hospital nurses are on holidays. At the present time I think we need eight desperately. We have at least eight vacancies in those places where we need doctors but have not tried to put one because of difficulties. One difficulty is housing. So that I would say at the present time we need at least eight to ten doctors in the outports for ordinary established places. To say how many more would be needed to get what would be regarded as a reasonable coverage, well, we would want three times as many as that. We have not considered that because it is just not possible to get them. I would mention that we owe a great debt to the people of the British Isles with their pioneer spirit, willing to come out to Newfoundland and take jobs in isolated places, where quite frankly we find it difficult to get our own graduates to go. Now, Mr. Chairman, that is all I have to say preliminary to the estimates.

On motion, Items 1001 through 1007 carried.

**Mr. Hollett:** Mr. Chairman, I wonder before 1008 is carried if we could take a look at the salaries. I wonder is the answer to be found in the amount? Are these supposed to be the total salaries on page 96? Perhaps the Minister could give us an idea as to what the nurses are being paid. While on my feet, I would like to say how much we appreciate the statement made by the Hon. Minister of Health. It was very explanatory and told us a lot in a few words about the position of health in this country. I want to express our thanks on this side of the House for his very clear and concise statement. I wonder if he could give us some ideas as to whether or not it is the low pay which the nurses are getting which makes it difficult to recruit?

**Dr. McGrath:** I do not think it is. While salaries are lower, certainly, than they are on some parts of the mainland, the differences are not too great at the present time, particularly in view of the cost of living for nurses, not for everyone in Newfoundland.

You see, a nurse who is residing in a hospital gets her board and her housing at a very reasonable rate. The same thing applies to nurses in the cottage hospitals, and the same way with district nurses in many cases, although not in all cases. I do not actually think it is that. I suppose increased pay in any field of endeavour helps to recruit, but we have no reason to feel that the pay is a big barrier. The big barrier seems to be that most girls do not wish to go to isolated places. We do not have the same difficulty in manning the institutions, say, in St. John's and Corner Brook. Our big difficulty is with the cottage hospitals, and even more so with the district nurses. You understand how it is a very difficult thing for a girl to go to a very isolated place where she has tremendous responsibility. It is not every girl who would have the qualities necessary for that. I mentioned the fact it is difficult to get them not in a sense of criticism, but I think to do this sort of work a person wants rather unusual qualities and has to have the missionary spirit; and I do not think it a very great criticism to say a person has not the missionary spirit within him, when earlier jobs are available where the amenities of life are much better.

On motion, Items 1008 through 1019 carried.

**Mr. Hollett:** On that item, I asked a question the other day, Mr. Chairman, about the purchases of dry goods for various institutions. That would be included also in the General Hospital?

**Premier Smallwood:** It would be better to have it come up in the Department of Supply. They do all the buying.

**Mr. Hollett:** Yes, that is quite so.  
On motion, 1020 through 1028 carried.

**Hon. C.R. Ballam (Minister of Labour):** Mr. Chairman, I would like to ask the hon. minister, is not that a great reduction in the grant for the Memorial Hospital? I did hear the hon. minister explain some of these reductions, but could he explain this one for me.

**Dr. McGrath:** Yes, Mr. Chairman, it is the same as the others. You see, we used to pay Western Memorial Hospital what



amounted to part of a deficit, and pay a certain amount in addition. We paid them a specific per diem rate for patients they actually had on Government account. Now, in place of that they will get per diem rates now for every patient that goes in there, so that these reductions will be made up in other sections of the vote dealing with the hospital insurance plan. They should get more money under the present arrangement than they were getting. Like the music, "it goes round and round and it comes out here," and under the next vote you will find some there under in-patients \$1,600,000, and the money lost to them up here is restored to them under that vote there. Does that cover the question?

**Mr. Ballam:** Yes, I knew there was an explanation.

**Dr. McGrath:** We in turn will receive a large portion of that from the Federal Government. I think all these hospitals will actually be receiving more now in this way than they were before. But actually, any hospital for a particular reason has a deficit, as it is quite possible some hospitals may, it does not mean we are going to withdraw any funds they need. But our direct payments will be much less than they were before.  
On motion, 1028 through 1032 carried.

**Mr. W. Smallwood (Green Bay):** Mr. Chairman, I wonder if the hon. minister could explain the geographical extent of the Children's Health Service. Now, Sir, in the city of St. John's, Corner Brook, Grand Falls areas, it is quite easy for people to get to hospital and the children's parents can take the children in, but in isolated districts like Green Bay, where quite a few people live on islands and have to come by boat to travel a short distance, it takes quite a sum of money. I just wonder, Sir, if the Minister would explain how the new Children's Health Scheme works out in outlying districts?

**Dr. McGrath:** Well, the Children's Health Scheme does not include automatic nor routine free transportation. So far, the policies of the Department have never allowed transportation and still do not. Any child, however, who needs transportation to hospital will get it free if his welfare officer

certifies that the child's parents are unable to provide transportation. Then it is provided. That is the universal practice, and always had been. But to provide any routine transportation would be a terrific cost which at the present time I do not think we are able to face. But no child can be prevented from getting to hospital for lack of transportation. If the parents can provide, they are expected to do so. If they cannot provide, it is provided by the Welfare Department.

**Mr. Hollett:** Mr. Chairman, I understand from the Minister that 10,000 children cost \$1.8 million last year. That is right?

**Mr. McGrath:** Yes.

**Mr. Hollett:** You now have \$1 million allowed for in-patients under National Health.

**Dr. McGrath:** \$1.6 million for in-patients here, but that would be for payment to outside hospitals. You see, the rest of the cost to the Provincial Government of the hospital scheme is contained in (both the children and general hospital scheme) the estimates for general hospital. This amount here then is for cash payments to other hospitals. Does that cover the question?

**Mr. Hollett:** Yes, thank you very much. There is another question I would like to ask the hon. minister. A case came to notice the other day of a woman who has to take, I think, five or seven pills every day for some particular disease. I do not know what it is. They are very expensive, and the husband is working for \$40 a week, I think, salary, and it is very difficult to find, very difficult. Does not the health scheme contribute in any way to payment of such medicines?

**Dr. McGrath:** No, but the Provincial Health Scheme does. The scheme here provides for medicine while the patient is in hospital, but not to out-patients. But the Provincial Government has, for many years and still does, provided medicine in any case where it is proven a hardship for patients to provide it for themselves. That is interpreted fairly generously and is not harshly imposed. It does not intend, for instance that a patient should be destitute before giving free issues, particularly of the new drugs

that cost so much, any drugs that are very expensive but are needed for a very short time — a patient, for instance might have to pay \$24 for a special drug for a short time, but is probably able to pay that. But take, for example, liver extract or insulin which has to be taken all the time. That family could not possibly pay and that is taken into consideration and the number of children in the family is taken into consideration, and if there is any hardship it is taken into consideration.

**Mr. Hollett:** Thank you very much.

On motion, the Committee rose to report progress and ask leave to sit again. Mr. Speaker, resumed the Chair.

**Mr. Clarke:** Mr. Speaker, the Committee of Supply have considered the matters to them referred and have passed items of current expenditure under the following headings: Department of the Attorney General; Department of Mines & Resources; Department of Public Works; Department of Health.

On motion, report received, committee ordered sit again on tomorrow.

**Premier Smallwood:** Mr. Speaker, I move the remaining orders of the day do stand deferred and the house, at its rising, do adjourn until tomorrow morning at eleven o'clock.

On motion, all further orders of the day do stand deferred.

On motion, the house at its rising adjourned until tomorrow, Tuesday at eleven o'clock.

Tuesday, Sept. 9, 1958

(Morning Session)

The house met at eleven o'clock A.M.  
Mr. Speaker in the Chair.

**Hon. J.R. Smallwood (Premier):** Mr. Speaker, here in the centre of the floor, hon. members will notice a plastic model of Fort Amherst, that used to exist in the Narrows of St. John's, and had been demolished, as the house is aware. Indeed even the lighthouse that subsequently stood on the site of Fort Amherst has likewise been removed, so that nothing now remains

of the old fort or lighthouse except a small collection of stones.

The explanation of this model and its presence here today is as follows: There is a young man in St. John's, an Englishman who is now residing in the city, whose principle hobby in life, I understand, is the making of scale models. He has obtained the exact plans of Fort Amherst and of other famous forts in St. John's, Fort Townshend, Fort George, where the Newfoundland Hotel now stands; Fort Frederick. And I was approached, not by him but by someone in his behalf, with the suggestion that if he were commissioned to do so he would make a number of scale models of these forts. So that the thought occurred to me that we should get him to make scale models of Fort Amherst and Fort Townshend (where the Central Fire Hall is now) Fort George, Fort Frederick and possibly Castle Hill at Placentia-made to scale. A faithful and precise replica of these historic forts that have all gone now, and put them on permanent display in the main entrance, the lobby, of Confederation Building, so that in a building that was very new and was built in honour of Confederation, very new, such bits of history would preserve the continuity of the past by displaying permanent models of very ancient buildings no longer in existence in Newfoundland. What I had in mind was a much larger scale than this. This is one-eighth of an inch to the foot, which is too small, I think, to be as impressive and realistic as we would like it to be. So, Mr. Speaker, I had this model brought and laid here for the hon. members to see, in the hope they would briefly communicate to me their reactions to this idea of having larger scale models made of these ancient forts for permanent display in the lobby of the new building.

**Mr. J.D. Higgins (St. John's East):** Fort George? I thought it was Fort William.

**Mr. Smallwood:** There was Fort George and Fort William and Fort Frederick.

**Mr. Higgins:** Where was Fort George?

**Mr. Smallwood:** I think immediately below Fort William, at some point lying between Fort William and the landwash. It might have been at the landwash. There is the

tradition of a subterranean passageway and tunnel. A subterranean tunnel that was hewn out of the rock in the east end of St. John's in that general vicinity, used for a sewer line back more than half a century ago.

**Hon. M.M. Hollett** (Leader of the Opposition): Have you any idea of the cost?

**Mr. Smallwood:** This particular one would cost about \$200 so that to get a larger one would cost more, no doubt. But to get four or five of them done should not cost more than \$2 or \$3 thousand. Then a decent glass case to enclose them, so that they could not be handled, might cost another \$1,000. So that, in an \$8 million building it would mean a very historic display which might cost \$4 or \$5 thousand.

#### **Presenting Petitions:**

**Mr. Hollett:** Mr. Speaker, I wonder if I may make an explanation of something which happened here yesterday, if I am not out of order.

**Mr. Speaker:** Is it a point of privilege?

**Mr. Hollett:** You could call it a point of privilege. Anyway, I think the mistake was mine rather than the newspapers. I did say there was a "stinking" smell. Stinking or something coming from the plant in Dildo. I did not blame it so much on the plant as the rotting carcasses floating back and forth in the harbour. I want to make that explanation, because there was a large measure of truth in what the Premier said, perhaps there was not any smell from the actual factory but from the carcasses which, negligently, I say, are left floating around the harbour. In a sense, the factory is to blame, but I wanted to draw it yesterday to the attention of the Minister of Health. That is the only explanation I want to make. Thank you very much.

**Mr. I. Mercer** (Fogo): Mr. Speaker, I ask leave to present a petition on behalf of the people of Lumsden North. I may say, Sir, that I am not so sure that I can do justice to this petition because not more than half an hour ago I left my dentist with the result that my left lower jaw and the left side of my

tongue are still practically frozen. Some hon. members will probably say that that is a good thing. If I do not do it justice, I hope the house will excuse me. The petition, Sir, is signed by 42 householders of Lumsden North. The prayer of the petition is for the installation of a diesel plant for the purpose of supplying light for our community. They agree to share in the cost of the same by fees collected from householders benefiting from the use of the plant. Mr. Speaker, while that petition is signed by 42, which is not an impressive number, nevertheless it has been endorsed by the people of Lumsden South, just a very short distance away. It had been endorsed by the people of Musgrave Harbour, Doting Cove and Ragged Harbour. In fact, Sir, practically all of the people in all of the settlements in Fogo District, who have been for the past week or two, seeking trying to get information as to how they can obtain electricity in their district.

I am well aware, Sir, that some surveys have been made, particularly on the Ragged Harbour River and also in Shoal Bay, Fogo Island, with the resulting report that it would be so expensive to develop hydro that you could not pay for it. People therefore have reverted and are thinking along the lines of diesel plants for electricity. I may say too that, during the past year, I have devoted some considerable time to investigations of these diesel mobile plants. I believe in these outlying districts we can make it economically feasible to install diesel electric plants so that people can have electricity. While this petition is only signed by 42 householders in Lumsden North I want to impress upon the house the fact that all of the settlements of Fogo District are looking for the same thing, as I can imagine perhaps a great number of settlements in other parts of the Province are looking for it. I want, therefore, to particularly impress this petition upon the house, so that, when during the coming year I will be making representations to the Government for either loans or guarantees of loans, which can be repaid over a period of 20 years by the people themselves (we might do that during the coming year) the Government will be in a position to know that the petition has been presented to the House of Assembly, and I sincerely hope will now be endorsed by the full House of Assembly. I present this peti-

tion, Sir, and ask to have it laid on the table of the house for reference to the department to which it relates.

On motion, petition received for referral to the department to which it relates.

**Notices of Questions** given by Mr. Renouf and Mr. Hollett:

### ANSWERS TO QUESTIONS:

None.

### ORDERS OF THE DAY:

On motion, a Bill, "An Act To Provide For The Erection Of a Provincial Government Building," read a third time, ordered passed and title to be as on the Order Paper.

On motion, a Bill, "An Act To Authorize The Raising Of a Sum Of Money By Way Of Loan On the Credit Of The Province and To Repeal Act No. 46 of 1957," read a third time, ordered passed and title to be as on the Order Paper.

On motion that the House go into Committee of Supply, Mr. Speaker left the Chair. Mr. Clarke, Chairman of Committee of Supply:

### DEPARTMENT OF WELFARE:

#### ESTIMATES:

**Hon. S.J. Hefferton** (Minister of Welfare): Mr. Chairman, before we deal with the estimates of the Department of Welfare in detail, it may be that a few explanations and some practical information may help the hon. members to understand it. Reference has already been made to the fact that in the year ending March 31, the expenditures on public welfare was \$2 million over and above that estimated last year. The reason given for that was that we had a greater number of persons last year requiring assistance from the Government. Now that is true when we bear in mind that from a total of 1,700 families last July, we reached a peak of something over 4,600 families in January of 1958, and then tapered off a little, not as much as in normal years. So that from information I have already tabled in

the House, in July of this year we had something over 3,000 families. That was one reason for the increase. There was another reason, however, which reflects very much in our expenditures, and the same thing is reflected, of course, in our current estimates, which I will come to in a few moments. The reason for it is the increasing rates which became effective at different times during the past year. The first increase went into effect on the first of October, 1957, when the pensions to the blind were raised from \$40 to \$46 a month. Since we only have some 376 persons who are receiving blind pensions, and the Government of Newfoundland only pays 24% of the cost the increase there was not very heavy. But on January 1, 1958, the rates of general application to the various kinds of assistance became effective, and played an important part in the increased amounts which were necessary for the Newfoundland Government to pay for assistance in public welfare.

On January 1, 1958, pensions to the blind were increased to \$55 a month; old age assistance was increased from \$40 to \$55 a month. Now we have some 5,119 people receiving old age assistance. The disabled persons allowances were increased from \$40 to \$55 per month, and we have something over 800 persons receiving that particular assistance. Now, in these instances the Newfoundland Government pays 50% of the cost, so that the increase, of course, was reflected and is reflected in the increased costs. In addition to that, and at the same time, January 1, 1958) we increased our rates for social assistance and our rates for able-bodied assistance. Prior to January 1, 1958, our social assistance rates were \$20 for the first adult, \$10 for the second adult and \$5 for each child. On January 1, a new rate became effective, and these rates are in effect now. \$25 for the first adult, \$20 for the second adult (that is wife for instance) and \$8 for each child. Now we have somewhere around 7,000 recipients of social assistance. Again, on January 1, the rates for able-bodied assistance were also increased. Prior to that date, the first adult in a family received \$15 per month and the second adult \$5 per month and each child \$5 per month. As from January 1, the new rates were and are, the first adult \$20 per month, the second adult \$10 per month and each

child \$8 per month. At the same time the rates were increased for what we call the casual sick, of whom we have some 1,000. The new rates which I just mentioned were applicable to them as well. These increases, Mr. Chairman, representing at least 25% in some instances; 33 1/3% in other instances, certainly added very materially and considerably to the amount of money which we dispensed under the various headings of such assistance.

Another factor which is reflected is the increased costs for various other services: For instance Foster Children, We have some 800 children in various homes being cared for by the Province. Our rates prior to April 1, of this year were \$24, \$26 and \$30 per month, depending upon the age category; \$24 under 12 years of age, I believe; \$26 from 12 years to 14 years; and \$30 over 14 years. As from the 1st. of April, and reflected in these estimates, our rates are \$28, \$30 and \$34 per month. That is an increase generally of \$4 per month in each category. In addition to that, we do give substantial allowances for clothing to these particular children and we pay their school fees.

Perhaps it might be well if I mentioned some of the institutions and give some explanation or information on them, as we go through. The Committee is aware that we have, primarily, four institutions devoted to different purposes. The **Boys Home** at Whitbourne has a capacity of care for 42 boys. That is filled to capacity at the present time, and is generally so, with a small number on a waiting list. The **Girls Home** on Portugal Cove Road has a capacity of approximately 15 girls. We have 12 girls in attendance there at the present time. The **Infants Home** on Waterford Bridge Road — We have some 32 children at the present time. Then the **Infirmiry** where we take care of the aged and infirm, which is filled to capacity. We have some 116 persons there in residence at this moment. In addition to caring for the 116 domiciled in the Home for Aged and Infirm, we do care at the present time for some 170 old aged and infirm people in the various boarding houses in different parts of the Province. In addition, we are caring for, at the present time, 50 persons who are in residence at St. Patrick's Mercy Home. Again there has been an increase in the costs for handicapped children, and a little change has occur-

red during the present year in the education of these whom we sent away. Members of this committee are aware that we send away what we call the mute, the deaf, and dumb children in Newfoundland and also send away the blind children for educational purposes. Some of these go to Halifax and some to Montreal. This year, we have 30 going to Halifax and 16 going to Montreal, Children that could be cared for anyway in Halifax in previous years and could not be cared for this year because of lack of buildings.

Certain changes have taken place in the personnel during the past few months, which may be of interest to the members of the committee. The first change is the elevation of Miss Sadie Butt from Superintendent of City Welfare to Judge of the Juvenile Court, the place vacated by the resignation of C.L. Roberts two years ago, and filled in a temporary capacity by Magistrate Mulcahy. We felt the responsibility of the job and increasing work there demanded a full-time judge, and so Miss Butt was appointed. Mr. John C. Brown, who had been Superintendent of the Boys Home almost since its inception, died during the spring of the year, and Mr. Vivian, who was Assistant Superintendent for the past year or two, has been appointed as Superintendent of the Boys Institution. On the death of Mr. Jardine at the department of Public Welfare, who had been director of social assistance for some years, it was felt Mr. Roy Roberts who was director of old age assistance should be given the double capacity and is director of all these social assistance agencies. Mr. H. Cramm resigned as director of Child Welfare, effective the end of August, and his place has been taken by Mr. Gerald O'Brien, who now fills that particular appointment. It might be pointed out that Child Welfare plays a very important part in the work of our department, and last year 151 children were placed for adoption.

I think these are the really pertinent points in our particular estimates, Mr. Chairman. Before sitting down I would like to pay tribute to one particular class of workers, the onus of whose work, to my mind, is extremely heavy and extremely well done, bearing in mind the complexities and difficulties with which they have to contend. Our welfare service is continually expand-

ing, to some extent or largely due to our expanding population. That is added to, perhaps, by the fact that during the past year our normal conditions have not been as helpful as they have been for three, four, five or six years. We have an operating staff in the welfare services today of some 90 people. When you take into consideration St. John's, and the Province as well, their task is extremely heavy. It is very, very heavy at the present time. Among such a number, of course, there will be variations, some being accused of being too rigid in their adherence to the rules, and others accused of being too generous in their distribution of the funds at their disposal. By and large, I think, as some of the members of the house who have active experiences will admit, they have done excellent work in trying to bear in mind they are primarily a social service organization. They are influenced, of course, by the amount of money at their disposal, but by and large they have done an excellent job in administering the needs of the people whom they serve. Thank you, Mr. Chairman. Any other questions that come up in the course of the estimates I will be glad to answer.

On motion, Items 1101 through 1103 carried.

**Mr. G.R. Renouf (St. John's South):** Mr. Chairman, I might ask the Minister — On the grounds of the Girls Home in there — there is a quantity of structural steel lying there for the past two years. I wonder if that denotes any construction or any enlargement of that institution?

**Mr. Hefferton:** Mr. Chairman, that steel was put there for the erection of a new infirmary which we hope to start this year.

**Mr. Renouf:** Just in storage.

**Mr. Hefferton:** No. It will be built on that site.

**Mr. E. Jones (Burin Dist.):** Could the minister explain the difference between the grants to the various denominations?

**Mr. Hefferton:** That depends entirely on the number of children, so much per head actually in the institutions.

**Hon. M.M. Hollett (Leader of the Opposi-**

**tion):** That United Church, \$700, is that a token amount or what?

**Mr. Hefferton:** No, that is according to the number of children there and what they are entitled to; per head also.

On motion, Items 1114 through 1119 carried.

Department of Public Welfare, carried.

**Mr. Hollett:** Before we go past that, Mr. Chairman, I would like to say a word to congratulate the minister on the statement he gave about welfare. I might say that, in my capacity as Leader of the Opposition being here all the time, I have had a lot to do with complaints, not exactly complaints, but people not knowing how to go about things. In every case, with not one exception, where I contacted the Department of Welfare I received courtesy, and in nearly every case satisfaction, for the cause of the complaint. I want at this moment to pay tribute to one old civil servant who has passed on, Mr. Jardine, with whom I had had much to do in the past. He always had been very helpful. He was tough. Everybody down there had to be tough. But he was fair and honest. I regret very much his passing. Again I want to say congratulations to the minister and the department for a job well done.

#### **Board of Liquor Control:**

On motion, Board of Liquor Control carried.

#### **ESTIMATES: (MUNICIPAL AFFAIRS)**

#### **Department of Municipal Affairs and Supply:**

**Hon. B.J. Abbott (Minister of Supply):** Mr. Chairman, it is not my intention to go into any great detail of the votes of the Department of Municipal Affairs and Supply. There are, however, certain votes which require a little detailing or clarification. You will note the vote for **city councils** there, \$259,000. Now we all know there are only two cities in this Province, St. John's and Corner Brook. Well, \$30,000 of that amount is for the City of St. John's. \$20,000 of that \$30,000 is for relinquishing the tax on motor vehicles during the Commission of Government days, and \$10,000 is for the

upkeep of Bowring Park. In previous years this was made from the vote in the Department of Public Works. The \$130,000 to the City of Corner Brook is the third installment of a decreasing grant to enable that city to provide reasonable services following amalgamation of Corner Brook West, Corner Brook East, and Curling with the Bowater Company Town. I may say, in 1956, this amount was \$180,000. It was decreased by \$25,000 a year until the sum of \$50,000 is reached at which amount the grant will remain constant. \$99,000 to the Water and Sewerage Corporation of Greater Corner Brook: This is a subsidy authorized for five years to enable that Water and Sewerage Corporation to balance its budget during the early years. The first amount to the Water and Sewerage Corporation was paid in 1956.

For **Local Councils** you will find the sum of \$425,000. There are 71 councils in this Province today, and it is from this vote that grants are paid. The grants, of course, are paid on a scale. I think all hon. members are familiar with that scale. It is a scale which I did give to the house at an earlier session when I spoke on municipal affairs. I may say the provision last year under this subhead was much below the requirements. In other words, the actual expenditure under that subhead last year was \$432,138. There is an initial amount there set forth for local councils. That initial amount of course, is to make grants of \$1,000 to \$5,000 to enable new councils and new communities to set up offices that provide essential services during the first year in operation.

There is a vote for **local improvement districts** of \$8,000. We have in the Province three local improvement districts, one at Happy Valley, one at La Scie and one at Gander. Of course these local improvement districts are set up by appointment and not by petition, as the other municipalities are set up. This amount, of course, is to enable control to be exercised over towns such as Gander and Happy Valley. Both of these newly created communities are adjacent to air-fields. And, of course, we have La Scie, the decision of the Government to construct a fish plant there necessitated the setting up of a local improvement district there to control building. These two, of course, Happy Valley and La Scie still require a little help over and above their initial grant, but for

Gander, I am pleased to say that their revenue makes it unnecessary to give them any assistance. We have in the estimates \$12,000 as **emergency assistance**. That amount, of course, is to assist councils where no funds are available in the event of storm or damage to bridges or local roads and no funds are available to assist the council. A vote of \$12,000 has been put in the estimates to assist them. Now, last year the actual amount was \$7,174. Then we have **surveys**. The Engineering Department of my Department carry out surveys year after year. They employ a number of students from Memorial University. These surveys are to determine the feasibility and the cost of installing water and sewerage systems in certain areas. For instance, we have had a survey down in Happy Valley where a large number of people scattered around the Labrador Coast have moved in to that town, and to avoid a shack town, plan is being prepared by the planning division of my department, and a board is being appointed to exercise control over the building. Two hundred lots were laid out in 1955. All of these lots have been occupied, and this summer one hundred additional lots have been laid out and there is still a demand for lots. It is intended to continue this practise of laying out lots.

**Community Services** — Several demands for water services from non-incorporated towns and community councils have necessitated this. A lot of towns that are not incorporated require assistance, like artesian wells and what have you. There has been no provision in former estimates for such things, and it was found necessary, in order to assist in bringing in the proper water supply to provide a vote for community services. That is what the money is required for. The **Metropolitan Survey**, Mr. Chairman — This is something which has been contemplated and has been going on in my department for a long time, the Metropolitan Survey. There is a provision in the estimates for \$5,000. Actually, the survey has been completed and the report has been made by the Canadian British Consultants. To describe it in the most general terms, this report makes recommendations concerning the establishment of a metropolitan council to administer the Greater St. John's Area, and puts forward well developed proposals which will serve as a basis for

further study and collaboration between the various bodies who have responsibility in the general area; and the general area, of course, is the City of St. John's, the Town of Mount Pearl and the residents of unincorporated districts in that area. Now, Mr. Chairman, the objectives are to service these areas which have been built up by unified planning and administrative controls to prevent a further uneconomic development. This report from the Engineering Consultants recommends that steps be taken immediately to construct a trunk sewer from the Narrows to Mount Pearl. This sewer will not only prevent raw sewage from floating into St. John's Harbour, which already dangerously polluted, but it will also service Mount Pearl and Topsail Road areas as well.

I may say, in the Mount Pearl Area the majority of the wells are polluted and most of the septic tanks discharge sewage into open ground and into road ditches. Now, that is a bad state of affairs, but nevertheless it does exist. In the absence of a trunk sewer, Mount Pearl residents have the alternative of building a sewage treatment plant or abandoning their investment. The residents along Topsail Road to Donovans will be faced with the same choice in the foreseeable future. Other work recommended for early attention is the augmentation of the water supply of the area and construction of roads so that traffic between St. John's and Mount Pearl will have alternative routes and traffic from the Trans-Canada Highway to the Airport, and areas of the north of it need not pass over the already congested city roads.

We come not to the estimated cost of the trunk sewer from the Narrows to Mill Lane, and the estimated cost is \$1,440,000; and from Mill Lane to Mount Pearl it is \$750,000. That will be a total of \$2,190,000. There are reasons to hope that a large part of the cost of this trunk sewer from the Narrows to Mill Lane will be absorbed into the costs of the proposed harbour development.

To assure an adequate supply of water the report recommended the development of the Bear Pond area to serve Mount Pearl at a cost of \$75,000. The development of Broad Cove area at a cost of \$1 million, and the development of Triangle Pond, with a

new transmission line to St. John's at a cost of \$1 million. The last two items are contingent, of course, upon each other, and are scheduled for completion within five to seven years. The closing of Pepperrell Air Force Base could postpone these items for several years. The cost of construction and paving the required roads is \$1,100,500. In addition to the above named capital works, water distribution and sewerage clearing system costing over \$5,500,000 will be required within the next five to seven years. It is therefore contemplated that substantial portions of this expenditure can be financed as Federal projects (projects under the National Housing Act) and there is a possibility of financing it under the 75-25% formula.

Now, although the estimates of the overall costs are included in the report, the matter of cost sharing is left properly for negotiation between the Province and the Municipality of St. John's and the Municipality of Mount Pearl. During the studies leading to the formulation of recommendations, the consultants, through our Provincial Planning Advisory Board, were in touch with representatives of the Federal and Provincial Departments, the City of St. John's and the Town of Mount Pearl. By these means they have had the benefit of knowledge and experience of those who are concerned at first hand. So, Mr. Chairman, it is hoped that at least the initial steps can be taken this year to set up the Metropolitan Council. It is for this purpose that the token provision of \$5,000 is provided in the estimates.

Mr. Chairman, there is another item of planning here—\$6,000. This is intended to obtain aerial plans which are used by professional planners in my department from which to prepare municipal plans. For certain towns, I think Stephenville and Windsor, we have prepared plans or plans are in preparation for these towns, and photography for Carbonear and Harbour Grace and Bay Roberts is being prepared with a view of having these maps for them next year.

Now we come to housing—We have two housing projects at the present. We have 192 apartments in the Federal-Provincial partnership, as you know. When these houses are completed they pass them over to the St. John's Housing Authority and the St. John's Housing Authority administers,



they carry on the administration. The rents for these apartments are not high. The rents are determined on the basis of need, and of course on the income of the people, and who should receive an apartment is determined on the basis of need. The maintenance and repairs of these apartments are taken care of from the rents and what is left over; sometimes the Provincial Government and the Federal Government have to pay a subsidy. It is for that reason there is a provision here for housing subsidies. It is contemplated that these 192 apartments will need subsidization to the extent of \$9,000.

Mr. Chairman, the Ebsary Apartments, I may say, are taken over now. There is a vote there, you will note, for the Ebsary Apartments, \$1,000 appearing in the estimates. This is the first year the Housing Authority have taken over the Ebsary Apartments. As you know, they were built in the days of the Commission of Government for widows. Now some of these widows families have grown up and married and have children, and a lot of these people in these houses paying no rent can afford to pay the rent. The Housing Authority has taken over, and these people will have to pay the same as other tenants living in the apartments out there. I think, Mr. Chairman, that that covers most of the estimates here in relation to Municipal Affairs. I may go on to the Department of Supply, when I finish Municipal Affairs. If there are any questions, I would be glad to answer.

On motion, Items 1301, 1302 carried.

**Mr. J. D. Higgins** (St. John's East): Mr. Chairman, under 1311-03 I wonder if the Minister would be good enough to amplify the explanation given. If I understood him, the City of St. John's is presently, and has for several years now, been in receipt of an overall grant of \$30,000 whereas the City of Corner Brook, being, I understood, in the levelling-off process will get a perpetual grant of \$50,000. Why the distinction between the two? Surely the City of St. John's is entitled to equal consideration. We are giving up much more in the tax field than Corner Brook, on motor cars and so on.

**Mr. Abbott:** Well, Mr. Chairman, I am unable to answer the question. I know that was the setup decided in 1956.

**Mr. Higgins:** I am quite satisfied there is a particular explanation for it. Perhaps sometime when it is convenient the Minister might look into the matter and let me know.

**Mr. Abbott:** Yes, of course. The City of Corner Brook is in its infancy and as the child grows and becomes stronger—

**Mr. Higgins:** The trouble is, it is rather a brash infant at times and does not show the same respect for its older brother it should.

**Mr. Abbott:** I think in the mind of the Government is the fact that the Government supplies the police for the City of St. John's. I believe that is the answer.

**Mr. Higgins:** And for the City of Corner Brook—the RCMP now.

**Mr. Abbott:** And the Fire Department—I think the hon. member realizes the Fire Department—

**Mr. Higgins:** I have an idea—It is a very reasonable explanation—Thank you very much. I am satisfied with the explanation.

**Mr. G. Nightingale** (St. John's North): Mr. Chairman, I might say Corner Brook is just a poor relation building itself up. Naturally, an old city like St. John's has to be a little bit gracious. For instance the fire department—We have a very elaborate fire department. We do not want to pay for it.

**Mr. G. R. Renouf** (St. John's South): Mr. Chairman, might I ask the hon. minister about the topographical surveys? Are these surveys being carried out by surveyors of the Department of Public Works or have they been engaged from outside?

**Mr. Abbott:** Mr. Chairman, in reply to the hon. member I may say the engineering division of the Department of Municipal Affairs takes on with them engineering students from Memorial University.

**Mr. Renouf:** For summer survey parties?

**Mr. Abbott:** That is right.

**Mr. I. Mercer** (Fogo): Mr. Chairman, I understand we are on 1311-03, which deals

with city councils and local councils. I would like to ask the hon. minister a question with regard to these local council grants. It seems to me we are trying to encourage people to incorporate as towns and yet, by doing so, it sometimes works to their disadvantage because of some difficulties which seem to be between the Department of Highways and Town Councils, and the Department of Municipal Affairs dealing with Town Councils. I will give you one particular example, at Change Islands—At Change Islands you have the Town Council that has jurisdiction over the road through what we call the North side of Main Tickle, perhaps about a mile. The South side of Main Tickle, which is about the same, and then the two or three miles up through the northern part of the island (with a very small number of people where they certainly cannot get anything like enough from taxes to build roads) there is no local road board because the Department of Highways says the Town Council has to do with it. Yet I cannot seem to get any grant from the Department of Municipal Affairs for the Town Council. Now, there are a lot of roads with a small number of people, and I wonder how these grants are granted to these Town Councils when there is a lot of roads for a small population, as it is with the Town Council of Change Island.

**Mr. Abbott:** Mr. Chairman, in reply to the hon. member, the grants are not allocated according to the mileage of the road. I think it is just one of these unfortunate things—if a community is sparsely populated and if they have X number of roads, if the population is all over the place—naturally then, this being scattered all over the place means that they must have roads. But in these grants we cannot make “chalk of one and cheese of the other”, as the old saying goes. If these grants are allocated on a per capita basis then, of course, there is nothing we can do about it.

Now, I am familiar with the area which has been mentioned, in Change Islands. In Change Islands, of course, the tickle divides it—north and south—and the people are spread very thinly all over the island. What can be done about it? It is just one of these things. The geographical position being what it is in this particular area, there is nothing we can do about it. We give them

their grant, the grant of \$2 for every one dollar collected up to \$1,000 and \$1 for every one dollar collected from \$1,000 up to \$5,000 and so on. The council of Change Islands has received the same grant on the same basis.

**Premier Smallwood:** And also the \$2 a head.

**Mr. Abbott:** Yes, the \$2 from the department of Highways.

**Mr. Nightingale:** Mr. Chairman, on this particular question here, on the Metropolitan Area Board. I think this extends ten miles outside the city limits. At the present time we have building up in this city new subdivisions which will be in more trouble until we lay out the subdivisions. Then if a man goes and builds his own house, we look after the engineering problems of these people in relation to curbs and gutters. If a man builds a subdivision, without curbs and gutters and with septic tanks, like on the Topsail Road. (It is my district the North side of Topsail Road and I would like to know just what is going to happen to that beautiful land). It is easy enough to sell land, but not so easy to service it, and buildings are being built up, down and every way. Now, a subdivision of any size should warrant a sewage disposal plant, a small one, which would take care of the sewage of that particular subdivision and to away with all these expensive sewers which we have from Mill Bridge to Signal Hill. Maybe in ten years we will have that much money to do it, but at the present time these houses are built, and being right now, and wells are going down and septic tanks right along Topsail Road, in a beautiful country. Excuse me, Mr. Chairman, for getting up at this time, but I did not want to miss an opportunity to say that.

**Mr. W. Smallwood (Green Bay):** Mr. Chairman, I wonder if the Minister could tell us when some of these drilling rigs for artesian wells will be sent to the District of Green Bay? Now, Mr. Chairman, during the election back in 1956, in the communities of Leading Ticksles and Brighton, South Brook and several more, (I cannot remember all the names) the people were keenly interested in public wells. Now, Sir, I

understand this \$25,000 is for the purpose of digging artesian wells. In settlements like Leading Tickles there is hardly a foot of soil on the whole island, simply all rock, and the people find great difficulty in obtaining water supplies. In fact, during the year 1956 I understand they had to take barrels and go in boats to the mainland several miles away to obtain drinking water. Now, Sir, I would imagine the same situation applies down there now. I do not imagine the rocks have gotten any softer, and I would suggest to the Minister that, as soon as possible, a rig be sent to the District of Green Bay for the distinct purpose of digging wells in these settlements where it is most difficult to obtain water.

**Mr. Abbott:** Mr. Chairman, I noted the request of the hon. member.

**Mr. C. Sheppard (Harbour Grace):** Mr. Chairman, before you go on, I was rather interested in the remarks of the hon. member for St. John's East and my friend here 'from St. John's North on council grants and also the remarks on local council grants for communities. In the district which I represent is one of the oldest towns, Harbour Grace, where we have had a voluntary fire brigade. I think I talked about the matter last year. This fire brigade has equipment of the total value of something like \$30,000, half of which, of course was supplied and paid for by the municipal Government and half was paid for by the fire brigade through public subscriptions in the town. We also have there an ambulance which was renewed this year, which cost something like \$7,000. Now all of this equipment, fire-fighting equipment and the ambulance, is serving a great public need not only within the limits of the town of Harbour Grace, but within the whole of Conception Bay Area, particularly the fire-fighting equipment in conjunction with the Carbonear and Bay Roberts fire-fighting equipment. On many occasions, it has been the means of saving a lot of property. I might remark here too that, on one occasion, the Harbour Grace fire-fighting brigade was the means of saving a lot of property. I might remark here too that, on one occasion, the Harbour Grace fire-fighting brigade was the means of preventing a very historic building from burning to

the ground, the court-house building at Harbour Grace. Now all of that equipment at the present time, amounting to something like \$40,000 worth is rusting out because there is no place in which to store it. The Town Council does not own the equipment. It is operated by a voluntary fire brigade, unpaid men, who sometimes at the risk of life and limb go out and fight fires. They have been asking and pressing for assistance by way of a grant, through the Town Council, to build a suitable garage in which to house that equipment. They estimate the cost of such a garage would be about \$10,000. The ambulance committee, and fire brigade both, are prepared to assist in the building of that garage. Now I do not know whether that might be buried in the local councils grant, but I would like to impress (and I am sure I do not have to impress upon the Minister) that to have that amount of equipment rusting out for the sake of spending maybe \$8 or \$6 thousand for which to house it and keep it in good condition. I wonder if the Minister, Mr. Chairman, could tell us if somewhere in the estimates there might be some assistance not only whereby Harbour Grace but I know of other places, whereby these voluntary fire brigades can properly house their equipment?

**Mr. Abbott:** Mr. Chairman, I suggest, if the hon. member could see me after the house closes we could discuss the matter together.

**Mr. J. D. Higgins (St. John's East):** Mr. Chairman, on 1403-01 I would like to support the remarks and more particularly the remarks made by my hon. friend from St. John's North (Mr. Nightingale) with respect to this metropolitan area survey. I have reason to believe there has been an interchange of opinion between the St. John's Municipal Council and the Minister of the Department on this particular location to which reference was made and the Penetanguishene Development, in off Portugal Cove Road, a couple of miles in over the hill. I have had, as I believe has my hon. friend from St. John's North, representations from people in that area. Apparently this development was done by some private company. Avalon Realty, I believe the name is. The company people have left there now. There is a road or what serves as a road

leading into the development. The Department of Highways assumes no responsibility I am told by some of the residents there. I am not in a position to verify it. They have made applications to various departments of Government and nobody seems to accept responsibility. It may be quite properly so. I am not disputing that. No department of Government seems to have accepted any responsibility. Now I do not know whether anything very much can be done for that existing situation, but I do hope that out of this metropolitan survey and recommendations to which the minister has made reference we will see that regulations are going to emerge to certainly prevent a repetition of that. I do not know if the Minister has any knowledge of Penetanguishene, but it is certainly one point on which I would ask sympathetic consideration when he comes to it.

**Mr. Abbott:** Mr. Chairman, I may say we are fully aware of the situation referred to by the hon. member.

**Mr. Higgins:** Only in anticipation.

**Mr. Abbott:** But we have a terrible situation in Mount Pearl, one terrible situation. It is a situation where you have over half the wells polluted, sewage running out into ditches and drains from septic tanks, and a town council threatening that they are going to resign if something is not done. So that we simply have to concentrate on that area. Furthermore, we have lots of land in there available for development, good land. But we cannot permit anyone to go in there and settle because of the situation that exists at the present time. Furthermore you have here in the city, I understand, a harbour development taking place very soon. Before that harbour development can take place, the metropolitan plan will have to come into effect and bring the trunk sewer down—

**Mr. Higgins:** You are perfectly right in that.

**Mr. Abbott:** Sure. That has to come first. If we do not want to have a repetition of work that must come first. Therefore, all our attention must be focused upon the west, so to speak, and getting these people in a position here they can enjoy decent services.

**Mr. Nightingale:** I quite agree with the hon. minister in his statement on Mount Pearl. That happens to be in my district too. It is surprising how big my district is growing. At any rate, Topsail Road is now being opened by new people with land, and somebody is giving permits to open subdivisions. What are they going to do with their sewage? Is that going to flow into the ditches on Topsail Road, or are we going to do as should be done, and as is done in other countries; have curbs and gutters laid down and the wells dug and the place finished? When are we going to get down to the point? Are we going to leave a poor fellow to buy the land and build a home like Penetanguishene with no plans? It is the same thing in a little place called Amherst Heights. The city does not want it.

**Mr. Higgins:** That is not quite fair.

**Mr. Nightingale:** It might want it but cannot take the whole area—once we take one big area—once we can afford to take one part and finish and make it ready and then take another and build it. If the department would agree to that it could be done. If Amherst Heights could be taken in and then another section of Mundy Pond when it is ready and then another section, we would gradually take in the whole area. We always try to do too much at one time. Anyway, with these few words, Mr. Chairman, I rest.

On motion, Items 1313, 1314, 1315, 1316 carried.

#### ESTIMATES:

##### (SUPPLY DEPARTMENT:)

**Hon. B. J. Abbott (Minister of Supply):** Now, Mr. Chairman, as to the Department of Supply, which makes all purchases for the Government, the various votes are set forth there. Printing and office supplies there show an increase of \$15,000 over last year. That, I assure you, will not be too much, in view of the fact that every project the Government undertakes requires printing. There is a vote for advertising, and of course printing. Government services are becoming so extensive today and the cost of printing is so great, but the increase, I assure you, will not be too great. I think I had

better answer questions as I go along, Mr. Chairman. That may require less time than any speech.

**Mr. A. M. Duffy (St. John's Centre):** Mr. Chairman, I take this occasion to mention something that has come to my notice. I understand from individuals that have spoken to me that cattle are imported or at least brought in from the mainland, which are good cattle but they are slaughtered before conditioned for proper use, and I understand fetch the same price as cattle which has been held and fattened. So it has been suggested there might be some thought given to inspection of cattle before slaughter.

**Premier Smallwood:** This is a subject which interests me very much. If my colleague does not mind, I would like to say a word about it. In Canada in general, the responsibility for inspection of food is generally that of the Government of Canada and the jurisdiction is the jurisdiction of the Parliament of Canada. The Parliament of Canada makes the laws and the Government of Canada carries them out. And, in a great many parts of Canada, they have carried out the law and they have continued to carry out the law by appointed staffs of highly-trained, skilled inspectors of animals for human consumption, and in such places such animals are slaughtered under Federal inspection and under conditions laid down by the Federal Government. That applies to cattle, hogs, sheep, poultry.

That has never been the case in Newfoundland, and it might be a bit, or more than a bit, unrealistic to demand that the Government of Canada institute that kind of service in Newfoundland in the light of the fact that the number of cattle and hogs and sheep and poultry slaughtered for human consumption is really a very trifling number, extremely trifling. I have had discussions with my colleague the Minister of Public Works, the member for St. Barbe's, who has been in the meat business for a good many years and his family has, and we have had discussions with a firm in Alberta, with a view to their perhaps establishing a thoroughly modern packing house. After they had surveyed the field they came to the conclusion that the turnover of such an establishment, if it were brought into exist-

tence, and Federal laws were made to apply, and where cattle and animals slaughtered for sale would have to be slaughtered in that building, the turnover still would be too small to justify the operation. Then, we considered the question of a Provincial Government subsidy on such an establishment, we found that, even with the subsidy, it still would not pay private enterprise to build and operate it, unless the subsidy were to absorb most of the cost of operating the plant. There have been suggestions down through the years of a municipality owned abattoir. That never came to anything. All these plans broke on the one rock, that the population of Newfoundland is still (that is the population that would be served by such an abattoir) too small to consume sufficient to constitute a turnover in that plant that could be regarded as anything even approaching the economic. The result we are left with is that small slaughter houses are dotted about the landscape, and are operated by individuals without, I think, any Federal inspection whatsoever, but some inspection and some fairly important inspection by my hon. friend the Minister of Health and his agencies, inspectors who are pretty thorough and who do a very good job. I know enough about this matter myself to be able to assure the committee that that is not enough.

I remember during the war, at Gander, in the piggery with which I was very actively associated, where we slaughtered thousands of hogs for human consumption, I could not sell any pork to the RCAF, and they were the huge consumers in Gander, unless the hogs were inspected at the time of slaughter or immediately after. And the Commanding Officer of the RCAF was influential and active enough to be able to get the RCAF to send down to the piggery no less a person than the Chief Medical Officer of the RCAF, the famous Wing Commander, Sifton, who was head of the Banton Memorial Hospital. He arrived down the first day with a half dozen doctors with him, and they donned their white coats and proceeded to inspect the hogs, and to train a man, who now lives out in Holyrood, to give him a training in the procedure, (Mr. Godson who subsequently operated a tea room at Holyrood). I do not think Mr. Godson was too keen, but he was an officer of the

RCAF at the time and had to obey orders. He took his instructions from the famous Wing Commander Sifton, who was, I think, a son of the great Sir Clifford Sifton, owner of the Winnipeg Free Press. It is a simple matter to inspect. A sample of certain glands will tell precisely the condition of the meat. That should be done on all animals that are slaughtered for human consumption. It is not done in Newfoundland. It should be done. The inspection that my hon. friend, the Minister of Health, carries on does not extend that far. It does extend, however, to this extent that the building in which slaughtering is done must be thoroughly clean, hygienic, and that they must be removed certain distances from living animals, there must be proper sanitation and drainage and so on, and that the business is conducted in pretty decent conditions, that is physical conditions.

Now, when it comes to the question of quality, there are very few people living in Newfoundland who, from one end of the year to the other, know what it is to get first class beef; There are few members of this House who know what it is to get first class beef, very few. Most of the beef consumed is not first class beef, and a large proportion of the local meat is not from animals that can yield first class beef. As for animals being imported from Prince Edward Island, these are dairy stocks no longer of any use to anyone for anything, and are shipped down here for the meat market. No amount of inspection in the world will improve the quality of that meat. What can we do about that, in the absence of a beef industry? We passed legislation here in this house three, four or five years ago, setting up standards under which all beef sold over the counter, retailed in the meat shops, should be handled, branded and so on. I thought at the time we passed that here in this house it was very good, idealistically, but quite impractical, because if you were to enforce it, it would require a lot more staff than we now have for that kind of thing. And if that staff existed and enforced it, it would drive all the meat trade to insist only on a much better quality of beef than is presently being brought into this Province. Some day I hope to see the average housewife here treated exactly the same as in Toronto. Why not? Should we not get beef here as good as it is

in Toronto? Why not? Are we truly second class Canadians? Are we such second class Canadians that we are content with beef far short of the best that is available to millions of other Canadians? Have we got to be content with beef far short of the best?

**Hon. M. M. Hollett:** (Leader of the Opposition): I would like to ask the Minister what has happened in the case of two or more persons tendering to do certain things for the department for the same price. How does the department go about deciding which one will have the preference?

**Premier Smallwood:** I do not know how the department goes about it. I know how I would go about it if I were the Minister of Supply.

**Mr. Hollett:** I asked the Minister of Supply.

**Mr. Smallwood:** Let me supplement the question by asking him a supplementary question. Would he agree with me that the thing for the Minister of Supply to do, when two different firms tender on the same supplies at the same price and the same quality and the same service, the same price, quality and service, the proper thing to do is give it to your friend? Would he agree with me on that?

**Mr. Hollett:** I think so.

**Mr. Smallwood:** That is if you have any friends on Water Street.

**Mr. Hollett:** But I asked the question, what method is employed in the first place? Is there a board to decide on a thing like that, a committee to decide that, and if so how does it go about it?

**Mr. Abbott:** Well, Mr. Chairman, of course we have to enquire. Very often you will find the tenders are alike. You have then to enquire to try and find out if there is not some difference. Very often you find people collaborate, people get together and one will bid and the other will say, I will put in the same bid. Now we have to make sure of these things. Then again there are sometimes when we may say "Shall we give it to this man, who has all the equipment to do the job, or can provide the services or has he

the facilities, is his product as good? For instance take milk. Now certain people think that certain brands of milk, ("Carnation," for instance) are best, and they would not have any other brand, only Carnation milk. Well of course try to satisfy them. Take for instance, drugs. A lot of people think "Bricks Tasteless" is a good tonic. So that the Government has to enquire into peoples' tastes, what they like and so on and then determine accordingly.

**Mr. Hollett:** Mr. Chairman, I can see that the Minister of Supply is fast learning the art of replying to a difficult question with a multitude of words which drown the point at issue. The question I asked has not been answered. What method is applied to determine whether John Jones, Bill Smith when both tender the same price? The minister has not answered that. I then take the answer given by the Hon. the Premier. They give it to their friend.

**Mr. Smallwood:** I did not give that answer. I did no such thing.

**Mr. Hollett:** I thought they might have employed the old art of "Heads I win tails I lose." I thought they might have done something like that.

**Mr. Smallwood:** Might have a game of Bingo.

**Mr. Hollett:** A friend of this Government does not need a tender.

**Hon. J. McGrath:** (Minister of Health): Mr. Chairman, I would like to say the difficulty in the supplying of drugs is not realized by the house. For example; only yesterday I heard the claim the only medicine to do any good was Brandy and Guinness Stout; the hon. minister's reference to Bricks Tasteless reminded me of that.

**Mr. Hollett:** I asked a question a few days ago with regard to the purchase of different goods by various institutions. Contracts were awarded for \$217,000 to the Terra Nova Textiles Limited and United Cotton Mills. I presume these are friends of the Government.

**Mr. Abbott:** There is a lot of money invested in these industries.

**Mr. Hollett:** Looking down the list; Halley & Co., and Ayre & Sons Limited and all the rest are all down to \$1,000 practically, while United Cotton and Terra Nova Textiles got \$217,000, government subsidized industries, sponsored by the Government, loans given by the Government and so on. I just want to draw that to the attention of the house, because all these answers put together will write some day the history of the first ten years of Confederation.

**Mr. Smallwood:** The hon. gentleman does not feel disposed to give credit to the Government for the fact that many hundreds of uniforms which were formerly made in Montreal are now made here. That is why these orders were placed with these two local factories. He does not praise the Government for that, but is trying somehow to find something shabby and disreputable in that.

**Mr. Hollett:** There is nothing shabby about it.

**Mr. Smallwood:** There is nothing wrong about it. \$10,000 to Ayre & Sons does not sound like giving only to our friends — does it? Bowring Brothers and all the firms along Water Street, my hon. friends strong supporters, and I hope, for his sake, generous supporters around election times. From all I hear, they are extremely generous.

**Mr. Hollett:** Incidentally, speaking of Bowring Brothers, they got the huge order of \$228 out of that.

**Mr. Smallwood:** That makes them more generous.

**Mr. Hollett:** They certainly got it. Even some of their friends. Goodyear Humber Stores got \$15. I do not see that Bowring Brothers profits very much. Ayre & Sons did very well, \$10,000, but Steers got nearly \$2,000, Riverside Woolen Mills \$5,000. I take it this company makes uniforms.

**Mr. Smallwood:** We do not care who they are. We just give it to the lowest bidder, considering quality and service.

**Mr. Hollett:** And in the case of a tie you toss a coin.

September 9, 1958

(Aft. session)

The House resumed at 3:45 P.M.  
Mr. Speaker in the Chair.

**Mr. A.M. Duffy** (St. John's Centre): Mr. Speaker, I had a question to ask this morning but did not have it with me. Would it be in order if I were to ask the question now?

**Mr. Speaker:** I think the house may stretch the point and allow the hon. member to ask the question.  
Question asked by Mr. Duffy.

**Hon. Dr. F.W. Rowe** (Minister of Education): Mr. Speaker, I rise to draw the attention of the house to an article carried in this morning's Daily News, and credited to Canadian Press, Corner Brook. This article has a number of gross inaccuracies, some of which are not my business nor the business of the Minister of Education nor of this house, but the business of the denominations and the business of those concerned or interested in education in Newfoundland. I want to make it quite clear that I do not attach any blame to the Daily News in this, because it came in under Canadian Press and I take it they just carried it as they received it. It refers to the Corner Brook Amalgamated Regional High School. Among some of the statements carried there are these. "It is the only school in Newfoundland attended by Protestant students of all denominations." I might say, Mr. Speaker, one of the reasons for my concern as Minister of Education is that I am informed this Canadian Press article is sent right across Canada, and goodness knows there is enough misunderstanding and misrepresentation without having Newfoundlanders, presumably, writing tripe of this kind and sending it out across Canada. I do not know how many, but any amalgamated school is likely to have students of all denominations. There are probably forty such schools in Newfoundland, probably between thirty and forty. In any case, I think it should be understood, as any Newfoundlander who knows anything about it understands, all our denominational schools are likely to have students of all denominations. Ordinarily, a school which has any room

**Mr. Smallwood:** I would not say that, nor do we decide by playing a game of Bingo. Does the hon. gentleman imagine there were very many cases in history of identical quotations. Of hundreds of thousands of quotations the minister receives, does the hon. Leader of the Opposition think very many of them are identical?

**Mr. Hollett:** I suppose there are a good many ties, yes.

**Mr. Smallwood:** One in 50,000 perhaps?

**Mr. Hollett:** I do not know the percentage.

**Mr. Smallwood:** Very low. Extremely low. William Chafe \$18,000. Does the hon. gentleman imagine there is any friendship attached to that. Why Mr. Chafe got the order was because it was for the Newfoundland Constabulary, and at the time there were no one to make Newfoundland Constabulary Uniforms; in fact they were practically naked for uniforms, for want of uniforms. And when the Newfoundland Clothing factory and White Clothing factory closed down we did not have a friend of any kind to make police uniforms.

**Mr. Hollett:** Will the hon. member tell us why they closed down?

**Mr. Smallwood:** They had orders for police uniforms when they were making uniforms, but when they closed we had no one. In fact, the Attorney General's Department really pressed Mr. Chafe to accept. That is how that came around. I can vouch for that. On motion, the Committee rose to report progress and ask leave to sit again.  
Mr. Speaker resumed the Chair.

**Mr. Clarke:** Mr. Speaker, the Committee of Supply have considered the matter to them referred and passed estimates under the following headings: XI, Department of Public Welfare; XII, Board of Liquor Control; XIII, Department of Municipal Affairs and Supply, Items 1301 through 1331. On motion, report received. Committee ordered sit again presently.

**Mr. Speaker:** It being now one of the clock, I do now leave the Chair until three o'clock P.M.



takes in any children who come along, irrespective of their religion.

There is another statement here: "In St. John's fees range from \$80 to \$100. There must be well over a majority of the students going to school in St. John's who do not pay even \$50 a year, I only cite this as an inaccuracy. Here is another one: "Corner Brook Regional High Schools accepts a maintenance grant of \$4,000." I don't know where that figure came from. I listed a half dozen big schools yesterday when I introduced the estimates, and started the maintenance grant this year (incidentally starting out just as soon as the school year gets underway) totals \$14,000 for that as well as for St. Patrick's School in St. John's, and Parkins Academy and other large schools. I do not know where that figure came from. But the figure I am concerned about, Mr. Speaker, and concerned that this should go out across Canada from presumably a reliable source in Newfoundland — Here it is: "The Newfoundland Government appropriates a piece of its revenue for education purposes — \$9,280,500 this year." Mr. Speaker, this house only yesterday, on current account alone, voted \$12 million for education, on current account. That does not take in capital expenditure. This year in all probability, the expenditure actually will be between \$15 and \$16 million on education. That is a very serious statement, it seems to me, in view of the tremendous effort made by all concerned in education in Newfoundland, especially this House of Assembly, to raise education standards. To have a statement like that going out across Canada, presumably from a reputable source — where he got it God knows — I spent sometime trying to set people right yesterday, and the day after here it is.

Here is another thing that appears, which is also credited to Corner Brook. Perhaps it is the same reporter. I do not know. But it appears in today's issue of the Evening Telegram. I will simply read this paragraph: Some of this, I may say, is correct, as is some of the other. It has been pointed out to me by the Hon. the Premier and the Hon. Minister of Finance, apparently our friend (whoever compiled this statement for Canadian Press) looked at the estimates, to which he had some access somewhere, looked at the bottom of page 81 and saw that figure, and did not bother to turn the

page, and so all Canada is informed we are spending \$9 million on education. That is the sort of representation we are getting all across Canada from Canadian Press reporters here in Newfoundland, apparently if that is any guide. I do not know who it is but I have heard the Canadian Press representative is attached to the Western Star at Corner Brook. I do not know who it is. Here is a paragraph which I shall read without comment. "Corner Brook Protestant Regional High School is a unique undertaking in Newfoundland." (I will refer to the word unique) "One of the largest schools in the Island it is the only one that combines all denominations on its board, except Roman Catholics. It is also the sole Regional High School that did not get the Government grant guaranteeing 70% of its building cost, and a Government backed loan for 15% of the remainder."

Mr. Speaker, I will not comment on that at all. I will make one other general statement. Mr. Speaker, I have made this so often that I say it in despair; I say it now knowing it will not be understood by people who should understand it. We have a denominational system of education in Newfoundland." No other system — denominational. It has been here for over 100 years. It started in 1844. It was broken down in 1844 between Catholics and Protestants; and in 1957 it was broken down still further to recognize the several Protestant Denominations. We have that system in Newfoundland. It has been here for over 100 years. We, in this house, did not bring it here. It was here — under the law the Government can only make educational grants to these denominations, and not to Boards of Education. The Government does not make grants to Boards of Education. It does not know Boards of Education except through the denominations, except through their churches. These boards are denominational boards. They are appointed, on the recommendation of their churches as agents for their churches. They are the instrument, the machinery, whereby the denominations put into effect their educational activities and policies in this Province. The Government does not make grants to Board of Education. We cannot make them, cannot by law, the churches do. I will take a specific example. We, this year, have voted here \$1 million for regional high schools in Newfoundland, \$1

million. It is right here — this house voted it. We did, yes — all right — that is \$1 million by the law of this land, which is written into the British North American Act; the Roman Catholic Church of Newfoundland will get exactly a pro-ratio share of that \$1 million, which happens to be one-third of the population. The Anglican Church will get one-third, being one-third of the population, and the United Church, representing 24% of the population will get 24% of that \$1 million. Now we as a Government, under the law, must see to it that, once this house votes money (\$1 million in this case) the United Church, for example, will get 24% or 23%, I forget exactly what it is, according to the census, that it will get its percentage of that amount.

And here is the crucial point. The Hon. the Premier says only 28% in Newfoundland knows that — Once that 24% goes to the United Church, or the 33% to the Anglican Church or the 33% to the Roman Catholic Church, what they do with it after that is none of our business. We do not know what they do except by courtesy. And if the Roman Catholic Church decided to build, and take all its grant to build one big regional high school down in Ferryland, they do not have to come to us, as long as they spend the money for regional high schools, which is what the house voted it for. Similarly, if the United Church this year, as it may well do, decides to take all its share of this year's grant and use it for a regional high school in St. John's, that is their business. They do not consult us. It is none of our business, and so, also, if the Anglican Church decides as well it may be doing this year, to take all its share of their grant and apply it to a regional high school here or in Channel — They built one last in Bell Island — They did it. They did not ask us. They were right — it is none of our business under the law.

I know I am wasting my breath but I repeat again. The Government does not make grants to Boards of Education. It is useless for a Board of Education to come to the Government and say it wants some money. It is just as foolish as for a tea merchant of China to come and ask for a grant to operate a tea plant. We cannot do it under the law. We cannot do it unless this house changes the educational system by legislation, and at

the same time the House of Parliament in Canada and in England change the British North America Act by Legislation. That is the only way this house or the Government can ever make a grant to Boards of Education in Newfoundland, amalgamated or not amalgamated. The only way would be if this house and the House of Parliament in Ottawa and the House of Commons in England changed the legislation which has created the system which we have in Newfoundland. Thank you, Mr. Speaker.

**Hon. J.R. Smallwood (Premier):** Mr. Speaker, could we go into Committee of Supply?

**Mr. Speaker:** Leave was given earlier for this committee to sit again today.

On motion, Mr. Speaker left the Chair.

Mr. Clarke Chairman of Committee of Supply.

On motion, Items 1333 (2) and 1333 (3) carried.

#### DEPARTMENT OF ECONOMIC DEVELOPMENT:

##### ESTIMATES:

**Mr. Smallwood:** Mr. Chairman, in introducing the estimates for the Department of Economic Development, page 64 — I want to make a statement of considerable importance on one part of the estimates — 1506.

**Power Commission:** I want to make a statement on rural electrification. I know that practically every member of the committee is keenly interested in what I am about to say. And outside this committee, outside this chamber, some tens of thousands of our people are intensely interested. First of all I want to announce the resignation of Commander Desbarats as Chairman of the Power Commission. Commander Desbarats has served in that position for the past two years, and he has given very good value. I wish to announce the appointment of John Charles Ryan as the new Chairman of the Power Commission. I have a written biography of him, which I will distribute. He was born and educated in England and studied at North Staffordshire Technical College; the Royal Technical College of Glasgow and the

Technical College of Brighton. He served in the Royal Navy during the last war, and in 1952 came to Canada where he joined the Montreal Engineering Company as a group leader. His work with this large company includes feasibility and cost studies for new electrical projects, preparation of expansion programmes for electricity, construction cost estimates, co-ordination of design, purchasing and construction groups, and preparation of annual operating budgets for electrical companies.

Mr. Ryan was responsible for the cost estimates, mechanical design, plant layout, and selection of equipment for the large electric power plant erected on the Southside of the harbour of St. John's during 1955 and 1956. After completing this work, he came to St. John's and took charge of the installation and commissioning of all the mechanical and electrical equipment that went into the new plant. He was solely responsible for the operations of the contractors who installed the boilers, turbo-generator sets, all auxiliaries, piping, switch gear, transformers, cables and wiring, as well as for the field contractors, and for approving payment of all invoices from major equipment suppliers, contractors and local suppliers; and also for the operation of the direct labour gang and for the initial training of the Newfoundland Light & Power Company's operating personnel. The plant was successfully commissioned in July of 1955. Mr. Ryan spent the best part of two years in Newfoundland in 1955 and 1956. He was 33 years of age. Mr. Chairman, I am very pleased indeed to be able to say that we have been able to obtain the services of Mr. Ryan as the new Chairman of the Power Commission. He likes Newfoundland. He spent two years here, and he likes it. He likes us and I think he will be a successful man in this position.

Now, to assist Mr. Ryan, we have created a new post, that of Chief Engineer for the Power Commission, and we have engaged the services of Mr. Ernest Dickinson for that post. Ernest Dickinson was born in England, but came to Canada when he was three years old. He was educated in British Columbia and at the Bliss Electrical College in Washington, D.C. Beginning in 1922 he spent 8 years in the electrical industry of British Columbia. He then moved to Sas-

katchewan where, for the following 8 years, he was very actively and prominently engaged in rural electrification. He then went to Bolivia, in South America, where for 4 years he was superintendent of a power utility. He then came to Newfoundland, where for the first 6 years he worked with Newfoundland Light & Power Company in St. John's. For the past 11 years, until a few weeks ago, he was with United Towns Electric Company and the West Coast Electric Company in St. George's District. Few men anywhere have had more experience than Mr. Dickinson in the field of rural electrification. I have copies of the biography of Mr. Dickinson to present to the press. We hope that Mr. Ryan will be able to take on his new duties very soon, indeed by the end of the present month. We believe that Mr. Dickinson, as well, will be able to take over his new post around the same time. Mr. Dickinson is at the moment employed by the Springdale Town Council, in charge of the installation of a diesel electrical system that is being set up in that town.

They are well known to each other, Mr. Ryan and Mr. Dickinson, and they get along very well together, and we think that they will make an excellent team, an excellent team working for Newfoundland. They are with us on a purley contractual basis, that is, they are not civil servants, they are not to be established nor pensionable. They are on a purley contractual basis. We are paying to the new chairman, Mr. Ryan a salary of \$10,000 a year, rising at the rate of \$500 a year to a total of \$12,000. The immediate past chairman, Mr. E. Desbarats received \$12,000 since his appointment 2 years ago. Mr. Dickinson commences at a starting salary of \$8,000 a year, rising at the rate of \$500 a year to a total of \$10,000 a year. We hope in the near future to complete the personnel of the power commission, so that they can carry on our big new programme of rural electrification without any delay.

Mr. Chairman, some time ago I asked my colleague, the Solicitor-General and Minister of Provincial Affairs (Mr. Murray) to take on the special responsibility of acting for the Cabinet in dealing with the three power companies in Newfoundland with whom we will have to deal in providing rural electrification. These companies are, needless to say, the Newfoundland Light &

Power Company; United Towns Electric Company, and the Union Electrical Company I think that is the name, at Port Union. For some weeks past the Solicitor General has been devoting virtually all of his time to attempting to get a badly needed co-ordination of the ideas and proposals of the Government to those three companies, and of those three companies to the Government. Before I asked the Solicitor General to take on these special duties, I had been attempting myself to confer with these companies, and indeed we held a number of meetings in my office. Present at these meetings, in addition to the Solicitor General, with me was also the Provincial Economist, Mr. Robert Wells, who works in my office, and also Mr. Arthur Johnson, the Deputy Minister of Economic Development, and Mr. Gordon Pushie, the Director General of Economic Development. But I found that if I were to preside over three meetings, and if those meetings were to be held only when I was present, the meetings would have to be fewer in number than they needed to be. It was for that reason I asked the Solicitor-General to take over these special duties. Now, he had a special personal reason of his own for being delighted to do work, that is, in his own constituency of Ferryland there existed, and for several years has existed, a very powerful and popular demand for rural electrification. So that, from the moment I asked him to take on these special duties, he has been constant in his efforts to bring companies to agreement with the Government. Of course repeatedly he would have to come to the Cabinet to report progress, if any, and seek further guidance and further instructions from the Cabinet.

Now, Sir, as of today, as recently as just this very day, we have our assured agreement with the three companies, or with two of the three companies at all events; and of these three one of the two is now ready to sign an agreement with the Government. I think that is the Newfoundland Light & Power Company. United Towns Electric Company, I believe will sign, but their general manager, their head executive, Mr. Sydney Morris happens to be absent from the Province this week, and so that company will not be signing in this present week, but they will, I believe, I understand, sign im-

mediately following Mr. Morris' return. The position of the Union Electrical Company at Port Union is not quite so clear at the moment, but will be clarified, I feel quite sure, in the immediate future, because I happen to know, of my own knowledge, Mr. Bailey the chief of that company, is particularly anxious to get into this rural electrification programme with the Government, along with the other companies.

Now, Sir, here is what we propose to do, and to do, of course, through the Power Commission. At this moment about 70% of the homes in Newfoundland are supplied with electricity, 70%, and they offer no problem to the Government of the Province. The problem is, of course, with the other homes, the remaining 30%. Now, Mr. Chairman, I very much doubt if we will ever live to see the day when all 30% of the homes remaining will be connected with electricity, whether it be hydro, diesel or any other. I very much doubt it. But a very high proportion of the 30% can doubtedlessly be given electricity through the Rural Electrification programme. What we are going to do is this. We are going to build the electrical lines. The Government are going to do that through the Power Commission. The Power Commission will handle the matter as the agent of the Government, but it is the Government that are going to build the lines to bring electricity to certain, not to all, now; certain sparsely populated areas of the Province. Now, Sir, I do not mean that the Government, as a Government Power Commission are going to go out and employ direct labour and build these lines. The lines will be built by contractors, that is the Power Commission will get existing companies to do the actual building. Now the companies may or may not be these three power utility concerns; Newfoundland Light & Power; United Towns Electrical Company; and Port Union Electrical Company, they may or may not. I say, it may or may not be done by these three companies — that will depend. It may or may not be done by companies that are operating in this Province of Newfoundland. It may or may not be done by companies that are domiciled on the mainland of Canada. Now that is just an elaborate way of saying that the Power Commission will get these lines built by contract and they will ask the exist-

ing utility companies (the three I have mentioned) to tender, and they will doubtlessly ask other concerns to tender and will doubtlessly ask mainland companies to tender; to tender, that is, for the contract to erect these new lines, these new electric lines; because these lines are to be built by the Government or at least through the Government's agent. They are to be built for the Government as the owner. The Government are to own these lines and are to get them built and continue to own them after they are built. And there are, as the committee undoubtedly knows, companies on the mainland of Canada who do not generate electricity, who do not sell electricity but who take on contracts to build electric lines, to stick up the poles, to hang the wires, to install the transformers. Indeed I believe that one of the companies here brought down a company from Montreal. I believe that this new line that was brought across Conception Bay, which hon. members have doubtlessly seen, that new power line which finally comes down over the Southside Hill was built not by the company that owns it and operates it, but rather by a contracting concern from the Province of Quebec, which built it under contract for the owner. The owner, I believe, is United Towns. Similarly the Power Commission will doubtlessly ask for tenders from such companies as the one that built that new power line last year and the year before, across from Conception Bay to St. John's to tender for the work.

Now, I will make it clear that in the building of these lines, these existing companies will have ample opportunity to build them for the Government under contract, and other companies that are here in Newfoundland and wish to bid will have ample opportunity to do so. But we are not limiting the receiving of tenders to Newfoundland companies, we are glad to receive them also from companies on the mainland that specialize in the building of lines. When the lines are built they will be owned and will continue to be owned by the Government; but the Power Commission, which is the Government's agent for the purpose, the Power Commission will then enter into an agreement with the present companies that generate and sell electricity in Newfoundland. Newfoundland Light & Power; United Towns and Union Electric, to operate these lines, to supply these lines with elec-

tricity. That is to say, the lines having been linked with the existing power lines of these companies, the current will flow through them from the presently existing lines, to be sold to the Power Commission by these three companies. So that these existing companies will have three functions: (1) to sell electricity, juice, electric current to the Power Commission through these newly erected power lines that the Power Commission are going to have erected and: (2) the three companies under a contract with them will operate these lines for the Power Commission, actually operate them, that is, they will have their repair men and their engineers continually on the job to see that they are kept in good condition, the transformers are kept in good condition, the wires kept in good condition and repaired where necessary, the insulators kept in good condition, and generally to take on the running of these lines as they already run their own lines, and then: (3) they will sell the power to the customers along these lines and collect the money.

Now, the Government's part is as follows: The Government will carry the cost of building the lines through contractors, as I have said, at Government cost, the Government's expense. That is the first function the Government will perform, through the Power Commission. They will build the lines at Government expense. The second function the Government will perform and the only other function, through the Power Commission, (there is a third function which will be performed through another body, that I will mention in a moment) is to pay the loss, to pay the difference between the prices charged to the customers, and the cost of the electricity that is delivered to the customers. Now, the cost of the electricity as delivered to the customers will consist, of course, of (a) the cost of the lines, the poles and wires and the insulation and transformers and what have you — the total cost of that amortized — and (b) the cost of the electricity charged to the Power Commission by the owners of the electricity — that is the price the owners will sell it to the Power Commission for — These two put together will constitute the cost of the electricity delivered into the individual house, shop, office, church, school, factory, farm, fish stage or whatever happens to be the nature of the customer. That is the cost. But

there will not be collected from the customer the full cost, because he could not afford to pay it. There will be collected from the customer an average each month of \$4. The bill that will be charged to the customer in these rural electrification areas — the bill that will be charged each month by the company that will operate these lines for the Power Commission is \$4. Now, \$4 will fall short of meeting the cost of the electricity delivered to the customers, and the difference between the two will be paid for by the Government.

**Mr. A.M. Duffy** (St. John's Centre): Irrespective of the customer?

**Mr. Smallwood**: I think it is entirely likely that the price charged to the profit making concerns will be different from the prices charged to the ordinary consumers.

**Mr. G.R. Renouf** (St. John's South): Like the Trepassey Plant, for instance?

**Mr. Smallwood**: \$4 to the ordinary, domestic customers. And the \$4 entitles the consumer to the ordinary domestic consumption. Not to consume all the electricity he can. That \$4 a month entitles him to consume up to 20 kilowatt hours per month. Now, over the 20 he will pay in addition, pay extra, but 20 kilowatt hours is said to be a fair charge, or average for the average householder. It will give him the necessary number of electric light bulbs, run his radio or television set, enable him to run a vacuum cleaner, a frig, a water pump to pump water to his kitchen and toilets. Twenty kilowatt hours a month will serve the purpose, will suffice the ordinary average domestic customers. Other types of customers will pay, probably, a higher rate. Sir, may I make one other point and be done with it. I said the Government will perform only two functions, but must add a third there. Through the Public Utilities Commission the Government will fulfill another purpose, they will control prices, and prices, except insofar as they are actually spelled out in this agreement, the prices will be subject to the jurisdiction of the Public Utilities Commission. Insofar as the hands of the Public Utilities Commission are not tied by written agreement, they will have jurisdic-

tion and control over the prices to be charged.

Now, Sir, what is likely to be the order of the deficit per householder who is charged \$4 a month, as we proposed shall be the case; what is the loss likely to be? How much is the power likely to cost delivered to that customer over and above the \$4 that he will pay? Now, of course, the answer is that the amount will vary from customer to customer, and vary from area to area. The first thing, Mr. Chairman, that has to be done by the new Power Commission is to engage some men to undertake at once, now, this season, this present season, to undertake actual, on the spot, surveys of the routes to be followed by the electric lines. When I say survey, I don't mean merely topographic surveys, the kind of survey a man makes to determine where the poles should be stuck, the actual physical route that the lines will follow, the survey will include that; but it will include also a count of actual customers that will be on each individual line.

Now, it will be found, of course, that the number of customers will vary greatly per mile on any one line, and that the average number per mile will vary greatly from the average number per mile on another line. To illustrate what I mean, we have to build as well a new electric line southward from the most southerly point, which now is Renew's. If the Power Commission have to build, as they will, a new line from Renew's southward to Trepassey, the survey will show the actual number of customers that the line will serve. That will enable a simple table to be compiled showing the average number of customers to the mile. Now, when another line is built, in my hon. friend's district of St. Mary's, (the power line goes southward now as far as Holyrood or Whitbourne) the power to go there must go southward either from Holyrood or Whitbourne. Now when that survey is made, now, almost at once, it will show how many customers to the mile will be the average number on that particular line, and that average number of customers per mile is apt to vary considerably from the average on the other line I have just mentioned. Now, the same story applies as you go right around the island. In my hon. friend's district, in St. George's, the number of customers per mile will be greatly different from

the number in other places, and in my hon. friend's district in Port au Port, the number of customers per mile will again vary from other parts of the Island. Then in Trinity North and Trinity South and down in Green Bay and in White Bay, and in other districts that could be mentioned, the number of customers per mile for the new lines will vary very markedly.

Now, there is a rough and ready figure of, I think, four customers to the mile. I don't want this to be misunderstood. Below four customers to the mile is completely impractical, out of the question, not to be considered; because if you are to collect \$4 a month from those three customers or two customers per mile, if you are to collect the \$4 a month from them, the amount of loss on the electricity delivered to them would be far more than they were paying. In other words, they would be paying far less than half the cost, and the Government would be paying far more than half. But four customers to the mile is considered to be at least workable. Now, five, eight, ten customers is better. So we have taken four customers as the minimum. I do not want anyone to suppose for a moment that, so long as there are any places in Newfoundland where you can get an average of four customers to the mile, it is practical then and economic then to supply electricity. It is not practical, unless the electricity is already generated by some plan that is already in existence, and so that all is left to be done is to build a line. Now, when you have the electricity and you build the line and you can link the new line to the old line and just have the juice flow through the new lines, then the four customers per mile is practical. But, if you have to build a new electric plant to generate the current and also build the new line, then you need far more than four customers to the mile.

By the end of the present month we will have the surveys going forward at full speed, and my hon. friend from Port au Port has not talked of anything else for weeks past, he hardly gets any sleep and hardly allows me to have any sleep either over this matter. He can rest assured that the surveys will be on out there this season making an on-the-spot survey. The same thing applies to my hon. colleague, the Minister of Mines and Resources, who is

beginning to have nightmares over this question of electricity. The same thing applies to other parts of the Island. Now, I understand that it is considered to be practical, actually, to build new lines, not necessarily for them to build them, but lines to be tied in with existing lines of these three companies. It is practical to build them at the rate of 200 miles a year between them all, 200 miles a year. Each company claims that if it built the lines it can, in fact, practically build 70 miles a year. To spell it out a little more clearly, Union Electric claim they can build in their own area, that is in the area of Trinity Bay North and Centre and Bonavista Bay South and Centre, they can build on that peninsula 70 miles a year. Newfoundland Light & Power claim that they, if they are called upon to do it, also can build 70 miles a year. What I mean by that is that they can stick the poles in for 70 miles, string the wires on the 70 miles of poles, put on the necessary insulators and put in the necessary transformers ready to turn the electricity on. They can do all that, they claim, at the rate of 70 miles a year; which would give us approximately 200 miles a year for the next two, three, five years; anything from 200 to 1,000 miles of new electric lines in Newfoundland.

Now we are setting up a fund. The Power Commission will be authorized and instructed to set up a fund, to create a fund, and into this fund will be paid each month, by each of the three companies operating the lines, certain sums of money. I do not remember the figure. Now, what I am going to say applies to each one of the three companies equally. So to simplify it, let us assume it is one company — let us say Newfoundland Light & Power. Where there is a line operated now in the Government's behalf by the Newfoundland Light & Power Company, a line containing nine customers or more to the mile, \$1.20 a month will go into that fund for each customer on that line, or that is for a line that has eight and not less than eight. For more than nine customers to the mile it will be \$1 a month per customer to be paid into the fund. Not less than seven nor more than eight to the miles, 80¢ a month to each customer; not less than six to the mile and not more than seven, 60¢ a month; not less than five nor more than six, 40¢ per customer and four to five, 20¢ a

customer. Where the number of customers is less than four to the mile, nothing will be paid into this fund.

**Mr. J.D. Higgins** (St. John's East): And no service either?

**Mr. Smallwood:** No there would not, because we will not have any. We will not have an average of less than four per mile. There may be a mile with less than four, but the very next mile may have ten, so that it would be an average of over four, would it not?

**Mr. Hollett:** When you say \$1, you mean \$1 per householder.

**Mr. Smallwood:** Yes, per householder per month.

**Mr. Hollett:** Paid in by the company.

**Mr. Smallwood:** Now that fund — remember this, Mr. Chairman, and I hope the committee will remember, that line will belong to the Government, it is the property of the Newfoundland Government. It will have been built by the Newfoundland Government at the expense of the Newfoundland Government, and the company (the Newfoundland Light & Power, or Union Electric Company or United Towns Electric Company) will operate it for the Government, the Power Commission, and they will deliver the juice to the homes and collect the fees each month — and they will pay into this fund this sum of money, according to the scale I have just read.

**Mr. Hollett:** What is that fund for?

**Mr. Smallwood:** That fund is to pay the cost of keeping up the lines, because the Government, once having built the lines to bring electricity to thousands of customers who cannot get it now and do not get it now, are then under the obligation of having to keep the lines in good condition, and that costs money. What it costs is well known. It is a standard kind of thing which utility companies are well aware of. It is well established, and we know that it will cost so much to maintain and keep up the various lines that we will build. To do that we create this fund into which each month money will be

paid to bear the cost. There is one other point — I think I covered pretty well all of it in so far as hydro-electric is concerned — But there is still the question of diesel electricity.

**Mr. Hollett:** Before leaving the other, could the Hon. the Premier give any idea what that programme will cost the Government over the period of years of construction?

**Mr. Smallwood:** We think the cost will run to \$4 million or \$5 million, spread over three, four, five or six years. I would prefer not to be tied down. You see, I have been here ten years, and we have done a lot of things in the ten years, and we have often miscalculated how long it would take to do this and do that. If we do it as fast as eagerness will allow, it will be done quite fast, but you always do not get other people to go along as rapidly as you would like to do, so that it frequently takes longer to do. At the outside, I would say something between the next two and the next six years it will take us to build the best part of 1000 miles of new electric lines in the sparsely populated sections. The average cost will run to — Now I will not be tied down to this — the average cost, as far as we can see, and according to the very best advice we have been able to get, about \$5,000 a mile. Now to build roads, depending on their width and the nature of the terrain, runs anywhere from \$15,000 to \$30,000.

**Hon. G.J. Power** (Minister of Highways): We built some last year for \$8,000.

**Mr. Smallwood:** We built some as low as \$8,000 last year. I would not say that was the average. And the cost of bringing the poles and wires and transformers and everything else that goes with it, and the labour of putting in all these poles, ready for us, will average about \$5,000 a mile. Now, Sir, having said that I have one other thing that must be said: There will be places, for example, the member for Fogo brought in here, I think today, or yesterday a petition from Fogo, the district of Fogo particularly from that part of the district which is the Island of Fogo, that gives the district its name, asking for electricity. But, Sir, there just is not any electricity on Fogo Island to



develop, there are not the rivers and waterfalls with the necessary volume of water and necessary heads. Because, Sir, you develop electricity by falling water, and that is not to be found on the Island of Fogo; and similarly on Twillingate Island and similarly on a lot of islands and similarly in a lot of places on the mainland of Newfoundland, where people want electricity but the hydro-electricity is just not there to be developed, and where it is developed is simply too far away to put in a transmission line or electric lines or distribution line or any kind of electric line because the cost per mile and per customer would be completely prohibitive. However, diesel power may be the answer in a good many places and in a good many instances.

Now, the member for White Bay North has a very serious problem on his hands, in St. Anthony. I know, because the Mayor of St. Anthony and Town Councillors of St. Anthony have been to see me and have talked to me about it, and I have had many communications from St. Anthony. I know. I know that it is a sore problem with the people of St. Anthony. They want electricity. Well, it seems entirely likely that it will have to come from diesel power, as it will in many parts of Newfoundland. And the Power Commission will have, as one of its instructions, the necessity of looking into the production of electricity by diesel, in places where it is feasible.

I may as well warn the people of Newfoundland right now that there is not a spot in Newfoundland today but electricity can be developed by diesel power, not a spot. I do not know of any places. You can generate electricity on the Topsails, indeed you can go to the top of Blow-me-Down in Bonne Bay and generate electricity, diesel electricity. You can generate it anywhere. But there are places where the cost of doing it for the number of customers to be served, and not so much the number of customers to be served but the distance they live one from the other, the length of lines to be built, the number of poles to be erected will make the cost of diesel electricity delivered to each customer quite prohibitive, altogether prohibitive beyond the means of anyone but a millionaire. And even if the Government were willing, and we are willing, even when we are willing to subsidize the production of

diesel electricity, there must be a limit on the extent of that subsidy, there must be. But the Power Commission will look every carefully into that whole situation. Now, I think, Mr. Chairman, I have covered the position for hydro-electricity thoroughly. I daresay, many, many questions will occur to hon. members minds, and if so I will do my best to answer them.

**Mr. Renouf:** Mr. Chairman, there is one question, in relation to the building of the lines. Has the scheme for transmission lines, federally, been discarded in this scheme?

**Mr. Smallwood:** We discard nothing, as Walt Whitman said: We discard nothing. If the Federal Government's plan can be changed to help us, we will be most happy. It will be admitted by the Committee that I made a very honest and sincere effort first of all to get the Parliament of Canada to change that Bill to make it suit Newfoundland's purpose. I failed. The Parliament of Canada just would not change it. Then, when the election was on and the Prime Minister was here to hold a general public meeting, I sent him a letter, which he did me the courtesy to read out to the meeting that night. He read the letter, I also remember two things about that letter. In the first place that he has never answered me and in the second place that he did speak about the matter when he read the letter, or most of it, to the assembled people. He said this: "It is a decent letter, and I appreciate the decency of the Premier in sending me this letter." He was quite appreciative, and he said (now he did not use these words) "as a mark of my appreciation I am going to have this matter looked into and see what can be done." But I have never heard a word since.

**Mr. Hollett:** Did you write him since on that?

**Mr. Smallwood:** No, I wrote him that.

**Mr. Hollett:** Keep after him.

**Mr. Smallwood:** I don't think I ought to. I do not think it is in accord with the dignity of one of the Queen's Ministers to write to another of the Queen's Ministers asking for an answer. Now I did get an answer which

was not as valuable as an answer from the Prime Minister, because Mr. Pearson is not the Prime Minister, as the hon. gentleman has probably read.

**Mr. Duffy:** This scheme is of decided interest to every one. I take it it is a preliminary plan of action. I understand that all the companies have not signed this. The impression I got was that it is a memorandum of agreement or a memorandum setting forth the position. I do not know that we got the impression that there is anything firm about it. I got the impression that there is no signed agreement by either one of the companies. I wonder is that the correct position, that this is a kind of proposal for a working agreement and that it has not yet been signed up?

**Hon. M.P. Murray:** (Minister of Provincial Affairs): Yes, that is the position, but it is a little more than that actually, because we are substantially in agreement. I have verbal permission from the companies here. I announced the Premier was to make the announcement today and asked if the draft agreement which was drawn up whereby — Some of the companies had directors in Montreal. One of the managing directors of one of the companies was out of the Province. But I am quite sure the directors are in substantial agreement with the programme agreement —

**Mr. Renouf:** Is that a signed agreement?

**Mr. Murray:** No, only a draft.

**Mr. Nightingale** (St. John's North): I must take it that, under this commission, the work started 20 years ago will be finished, within a radius of 20 miles will be finished. I refer to St. John's North. I brought in a petition to the house a few days ago from Witch-hazel Road, Neary's Pond and places like that. A lot of places are still without light. I would imagine they would finish off that job first before starting a new one. That is all, Mr. Chairman.

**Mr. Duffy:** Mr. Chairman, from what I gathered from the Premier's remarks, considerable preliminary work will be done almost immediately. That I take it will represent costly surveys and other preliminary

work. I am just wondering, in view of the fact that the Government has, for this rural electrification, merely a token grant in the estimates. That certainly will not be sufficient to do anything of any scope. Furthermore, following on the same thought — In view of the financial position I wonder is there any real hope of doing anything, any real work in this fiscal year?

**Mr. Smallwood:** I am quite sure there is a very real hope, and I am quite certain that, by Christmas, we will have laid down a firm contract and probably awarded it for the construction of actual lines first thing in the Spring. I am quite certain of that. My hon. friend will agree that, up in February and March, there won't be much work done in the way of sticking in poles and stringing lines and the like. The part of the season in which you can do that kind of work is from now, let us say, close to Christmas. During that time we will actually have men out tramping over the ground, surveying and measuring and mapping and counting customers and getting all the information, so that we can call for tenders to award contracts in the Spring. Then again we have to acquire right-of-way where we have not already got right-of-way. On Crown lands, we will have no difficulty, but if it is private land we have to acquire a right-of-way. All that will take a certain amount of work, and that work should all be done this year, this present season. Then again, if my hon. friend will allow me — It will be necessary this year to order thousands of poles to be delivered to us next year. To get them next year we will have to order them this year, for early delivery, so that they can start stringing poles the first thing in the Spring. We think we will make the fur fly next year. Now, as to the amount that is proposed here in the estimates just not being enough — We have a token of only \$12,500 and \$500 and \$100 and then \$1,000 and then \$9,000. It is only \$23,000 altogether. We will spend probably twice that. I frankly confess, I do not know how many men are needed to track over a given area and map the area and count the potential customers, but I do not imagine it will take very many people to do it, maybe twelve or fifteen people for three or four or five weeks would be able to cover all the ground that is going to be covered. I imagine so. I do not know. If we

need more than this \$23,000, we can get it by countervailing savings. Once the vote is there, if we find we actually need it, we have the Revenue and Audit Act which allows us to go to the Lieutenant Governor and tell him there has not been quite enough voted for this purpose and will he be pleased to issue his special warrant for another \$10 or \$20 thousand.

**Mr. Duffy:** It is most unusual to do that.

**Mr. Smallwood:** No, quite customary. All governments always do it, and always will do it.

**Mr. Hollett:** Mr. Chairman, as far as I can see there has been nothing at all voted for this great plan. I must say I long to see the day when everybody will be able to turn a switch and get light. I will remember when we first got the lights in Burin. That first evening we turned on about forty lights, inside and out, and went out in the boat to look at them and see what they were like. I hope all our people will be able to look forward to this, after using kerosene oil all their lives previously. As far as I can see the Government is to own that line. They are to build it and own it, and therefore it ought to be a sort of capital expenditure. We will always own it, unless some fund is set up for the companies to take over. Now, I looked through capital expenditure and do not find any provision whatsoever for that particular plan the Premier outlined today. I suggest, therefore, perhaps the Finance Minister might like to put a little figure in there. It is certainly capital expenditure.

**Mr. Smallwood:** The purchase of wire and poles and transformers and insulators and all that will be on capital account, but we do not propose to do that until the surveys are made, and we can let the contracts to start the first thing in the new year.

**Mr. Hollett:** Anyway, it won't start until after the thirty-first of March?

**Mr. Smallwood:** That is right.  
On motion, items 1501, 1502 carried.

#### TOURIST DEVELOPMENT:

**Mr. Hollett:** On Tourist Development: Mr.

Chairman, we spent or were supposed to spend last year, \$95,000 and this coming year we are going to spend \$120,000. I would like to ask the Government if they believe they are getting value for their money in this particular instance. For instance, under 1505-03, Publicity and Investigation: there is \$30,000 for general publicity and \$20,000 for development. Development of what? I do not know. Well, I suppose if you kill a tuna here and there that is publicity — I do not know how much that cost.

**Mr. Smallwood:** That is development.

**Mr. Hollett:** That is development. Then there is a loan board. The estimate \$3,000 for travelling etc. I expect it costs more than that. I was wondering if the Minister could give us some idea, or his opinion, about this tourist development. Is it accomplishing anything? I fail to see it. I am not saying anything against any of the members of the Tourist Board, but I fail to see they are accomplishing very much, as far as the expenditures which are made on this, on an average of \$100,000 for the last eight or ten years. That is approximately a million dollars which has gone into tourist development. What can we see today for that \$1 million? Is there anything we can see — Perhaps the Minister would tell us.

**Mr. Smallwood:** Well, Mr. Chairman, the Hon. Leader of the Opposition, I understand, is quite an outdoor man who loves shooting and trouting and so on. If so, then he is undoubtedly a man who has travelled over the countryside, and has been out in the bush and open country. If he has done that, he must have noticed this many, many times. You see a pond frozen over with what looks like a solid sheet of ice and indeed see ponies and sleds hauling firewood over the pond, taking short cuts to get a nice, long, level haul. It is a fine sheet of ice. Then if he goes along after not having been there for several days, in the spring of the year, and suddenly there is no ice there, nothing but open water. Now that ice did not disappear all of a sudden. It did not just disappear, just vanish. You would find, if you were to look, that ice had been eating away underneath and what looked like a fine big thick solid sheet of ice was really honeycombed and

eaten away underneath, and suddenly it just sinks into the water and disappears. Now similarly with a tourist trade. For years and years and years in Newfoundland money has been spent, for thirty years — The first tourist board was set up — Miss Margaret Godden and Jack Meehan had an office down in the Board of Trade rooms, and prominent citizens were members of the Tourist Board. That thing has been functioning for twenty-five years or thirty years, and they are spending money year in and year out.

One of these days — one of these days — you are going to see a tremendous tourist traffic in Newfoundland, a great tourist traffic consisting of perhaps 100,000 tourists a year. It does not mean they are all coming in to shoot caribou or catch salmon. We could not accommodate 20% of that number. We could not accommodate a 1,000 people a year in Newfoundland, to provide shooting and good fishing for them. But to travel around, and drive around, and enjoy the cooler summer and see a new part of the world and all the rest of it. When that comes, it will be the result of a large number of things, and of course, one of them will be the continuous publicity that has gone out, and continues to go out, from the Tourist Development Board, the showing of movies all over North America to millions of people. And we have to make these movies ourselves. That is my answer. It is not precise. I cannot exactly spell it out. I can only give my own personal opinion, my personal belief that one day Newfoundland is going to benefit greatly from tourist trade as a result of the work of this Tourist Board, not only has this Government but other Governments previously believed it — I hope that satisfied my hon. friend.

**Mr. Hollett:** Quite. Quite. Thank you very much. And I hope that hope will be fulfilled some day. But I fail to see that the Tourist Development Board are giving us returns for the huge amount of money. Now we are on 1503, Mr. Chairman, I would like to refer to a loan made for \$20,000 for Grand Bank. I wonder if somebody could tell me what that was made for.

**Mr. Smallwood:** I believe if my memory serves me. I believe, for the construction of

a tourist lodge halfway between Grand Bank and Fortune — a tourist establishment, I understand. It is a beautiful location. When the Minister of Highways and myself were up there last year, and the Minister of Education, we all agreed it would be a lovely site for a tourist place. The construction of it has begun now, and they could not finish it and came to the Loan Board for a loan to enable them to finish. Mr. Forsey — that is — I do not know the man. I do not know him from Adam. I do not know who in the world he is.

**Mr. Duffy:** Mr. Chairman, I would like to make a comment on what has been said about the tourist situation here. With few apologies to the Premier, I must say I have never heard a weaker case put up for justification of the outlay of the past few years for tourists. It seems to be inside out, upside down, spending money the purpose for which cannot be fulfilled. Obviously, if and when they arrive, there is no place to house them, there are no roads, there are no hotels. I am not suggesting there is not a probability there; but the point is that many thousands of dollars are spent in publicity, to bring people here, and if they do come we cannot accommodate them, certainly they won't come again. It just does not make sense at all and I think many people in Newfoundland feel exactly as I do, and many members on the opposite side of the house feel exactly as I do. They must if they have any sense at all. I do not know, but it seems to me no progress is being made whatever. We seem to go on every year spending money and until some facilities are put up, we will merely continue to spend hundreds of thousands and maybe millions of dollars without any tangible results whatever.

**Mr. C.R. Sheppard (Harbour Grace):** I gather from the remarks of the hon. member that tourists come into the country, take one look, go back and never return.

**Mr. Duffy:** I have seen that happen.

**Mr. Sheppard:** I have seen the exact opposite happen. As a matter of fact, last week it was my good fortune to entertain an American and his wife who had come from the State of Virginia. It was their very first trip as far north as Newfoundland, and obvi-

ously a very fine trip. I took them out to show them some of the nicest scenery I suppose there is in Newfoundland, around Conception Bay, particularly over towards Harbour Grace, Bay Roberts and Carbonear. There is some very nice scenery. And I took them over to Mackinson's for lunch, and then I took them on down into Harbour Grace where we visited some friends, and back to Brigus for tea. And they came back here and it was not, I feel quite sure because they felt they had to say it, but they told me, and they are still telling me (as they have not left the country yet) they had never seen anything to equal Conception Bay; and in all their travelling up through America they were never entertained at two better places than Mackinson's Lodge and Brigus Tea Room.

**Mr. Duffy:** What is the capacity of these two places?

**Mr. Sheppard:** Off hand, I would say Mackinson's would accommodate thirty guests and maybe more.

**Mr. Smallwood:** Sixty, I think.

**Mr. Hollett:** Is that a Tourist Development establishment?

**Mr. Smallwood:** Yes.

**Mr. Hollett:** They got a loan.

**Mr. Smallwood:** Yes. They are doing quite well.

**Mr. Hollett:** Mr. Chairman, I want to refer to an answer to a question that I received—that is, printing of tourist literature and films amounted last year to \$37,536. Can anybody explain how that was made up?

**Mr. Smallwood:** I am afraid I cannot. What is the amount?

**Mr. Hollett:** Is that process to continue year in and year out?

**Mr. Smallwood:** Documentary films? Yes, for a half dozen more years anyway. We need to have fifteen or twenty good Newfoundland films.

**Mr. Hollett:** Do other provinces have them?

**Mr. Smallwood:** Yes indeed.

**Mr. Hollett:** There is one other thing I want to draw attention to; that is travelling in the Department of Economic Development. Mr. Pushie travelled to and from the following places on this amount of money; San Francisco, New York, Toronto, Montreal, Halifax, St. John, Charlottetown, Ottawa, London, Glasgow, Port Hope Simpson, Swift Current, Goose Bay, Bay D'Espoir, Come-By-Chance, Clarendville, Flat Bay, St. George's, Corner Brook, Grand Falls, Gander, Arnold's Cove, Southern Harbour, Carbonear, Harbour Grace, Bay Roberts, Brigus, Stephenville, North West River—and his expenditure—\$3,629. Now, how Mr. Gordon Pushie travelled to all these places on \$3000 odd I cannot understand. I am quite sure it is not possible to do it, and, therefore, I must come to the conclusion that somebody else paid some of Mr. Pushie's expenses.

**Mr. Smallwood:** That could be. It might be that someone else paid his bills. In other words, if there are three or four ministers at a hotel all checking out, it does not matter very much which one pays the bill for all hands.

**Mr. Hollett:** In that case we could never get anything accurate from the Department. I note from the answer to another question that the Chairman of the Power Commission, who has just resigned, has always reported orally to the Minister of Economic Development. Is that to be the practise in the future with the new Power Commission?

**Mr. Smallwood:** I would think, in the main, but if it is required to have written reports, he will have to write them. In the main, these things are carried on daily. Up to the present time, the Solicitor-General has reported fifty times. If I had to produce a written report from him to save my life I am afraid my life would have to be forfeited.

**Mr. Hollett:** Surely after two years, getting \$12,000, a man could give something in writing.

**Mr. Smallwood:** I do not know what the hon. gentleman means by a report. Now he has been out to half a dozen places and made a survey right on the spot of the possibility of developing electricity, sometimes highly favourable and sometimes negative. I have half a dozen reports like that from Commander Desbarats.

**Mr. Hollett:** Is it possible to carry all that in the Premier's head?

**Mr. Smallwood:** It is not in writing. If that is what the hon. gentleman means by reports. I understood him to mean an annual report. For instance, he goes down to Springdale and goes around as a hydro-engineer and surveys the place and comes up with a report of the possibility of developing electricity in Springdale and his estimates of costs. He has made a number of such reports; — if that is what my hon. friend means by reports — But I understand him, when he asked the question, to mean the kind of report the Chairman of a body makes once a year. He has not made any such reports.

On motion, Department of Economic Development, carried.

#### DEPARTMENT OF LABOUR:

##### ESTIMATES:

**Hon. C.H. Ballam (Minister of Labour):** Mr. Chairman, there will be no definite changes in the policy and in the different branches of my department since last year. Instead, therefore, of going through all of the various items now and then having to go over them again I would suggest that we take them item by item, and I will be glad to answer any questions asked.

On motion, Items 1601, 1602 carried.

**Mr. J.D. Higgins (St. John's East):** Mr. Chairman, under 1603-06, Industrial Enquiries Committee, there is \$15,000 this year and no vote last year.

**Mr. Ballam:** That item is in there to offset expenses against a Royal Commission set up to go into the question of unemployment.

**Hon. M.M. Hollett (Leader of the Opposi-**

**tion):** Who is Chairman of that Commission?

**Mr. Ballam:** Its chairman is Mr. Lester Coombs. The other persons on the commission are one from the trade, appointed by the Board of Trade, Mr. Ennis and the other is Mr. Chafe, the President of the Federation of Labour.

**Mr. Hollett:** Mr. Chairman, has the minister any report yet from that important enquiry?

**Mr. Ballam:** No the commission is still functioning, they are sitting, and up to the present, we have had no report.

**Premier Smallwood:** And I do not suppose there will be for a month or two.

**Mr. Duffy:** What is the remuneration of the Chairman?

**Mr. Smallwood:** I think it is the same as the Royal Commission on Pensions.

**Mr. Duffy:** \$9,000 a year?

**Mr. Smallwood:** At that rate per year.

**Mr. Duffy:** The Labour Relation Review Committee, is that functioning now?

**Mr. Ballam:** I may say this committee has been functioning the last couple of years but they have not made the progress I would like to have them make because of various reasons. The personnel of the committee, while one was resident here in St. John's, the other was at Grand Falls and another at Corner Brook, and they could not get together and apply the time that they should properly to do the work they had to do. Consequently one (the one from Grand Falls) resigned and the other two are carrying on. But I have requested them now to submit their report, and we will then discontinue the committee.

**Mr. Higgins:** That being so, Mr. Chairman, may I ask the Minister does his department contemplate any revision of existing labour legislation. What I have in mind now is the type of thing governing arbitrations.

**Mr. Smallwood:** Is not that what the committee is to do?

**Mr. Higgins:** They are going to cease to exist after they get in their report.

**Mr. Smallwood:** But the report will contain all such.

**Mr. Ballam:** They are set up to review our existing legislation, and they will report to me and make recommendations for any changes or amendment and so on. It does not necessarily say we are going to do it. We, the Government, will review their report.

**Mr. Hollett:** Mr. Chairman, has the Minister the terms of reference of the Industrial Enquiry Committee? What is the term of reference? Have you a copy?

**Mr. Ballam:** I have not got it here. It was broadcast.

**Mr. Hollett:** Can you briefly state it?

**Mr. Ballam:** The terms were to go into every aspect of unemployment from all the various angles, and in various industries and to assess the whole setup and to make recommendations to the Government as to anything which could be done to improve the unemployment situation. During the summer, the Minister of Labour in Ottawa called a meeting of all the labour ministers across Canada, across the Dominion, and together with others, I also had an invitation, and an invitation to take others with me, and I took Mr. Coombs, the Chairman of this commission with me. The meeting was to make recommendations to deal with winter unemployment. We have a report, and probably the report from that meeting will be contained in Mr. Coombs report when he makes it.

**Mr. Hollett:** That was on unemployment during the coming winter?

**Mr. Ballam:** Yes.

**Mr. Hollett:** We might expect the report within the next month or two?

**Mr. Smallwood:** Yes, we certainly should.

**Mr. Higgins:** May I ask, Mr. Chairman, with reference to the Labour Relations Board, if the Minister could inform the Committee what is the position with respect to the IWA's application. There has been some reference in the press to certain contractors refusing to recognize the right of the Labour Relations Board to subpoena them. Is there any truth in that?

**Mr. Ballam:** The Board have had some difficulties with certain contractors in getting the necessary information from them, and steps have been taken, just quite recently, and in a day or so you will see a release in the newspapers as to how we are dealing with that particular matter.

On motion, Items 1603 through 1606 carried.

On motion, Department of Labour carried.

#### DEPARTMENT OF HIGHWAYS:

##### ESTIMATES:

On motion, Items 1701, 1702 carried.

**Mr. Hollett:** Maintenance of roads and bridges \$2,000,000. There is an increase there. I wonder if the minister could give some explanation for that?

**Mr. G.J. Power (Minister of Highways):** That figure is \$4,501,500. That includes snow clearing and re-construction. There is in the Department of Highways a figure of something over \$2 million for reconstruction in capital account. That has to do entirely with paving. There is some for maintenance of bridges. Now there has not actually been a great increase in that figure since it represents three expenditures. For example, if you take the actual figures for 1956-57, which was \$2,355,000 and take the snow-clearing for that year \$477,000 and the re-construction that year, \$1,700,000 you get under these three headings for 1956-57 \$4,649,000 which is slightly less than the figure we have estimated this year.

**Premier Smallwood:** Mr. Chairman, I do not think this vote ought to be allowed to pass without some one saying something about the very, very fine work done by the minister in the erection of highway signs on

the roads. This is really a magnificent thing. Thousands of signs have been erected. I do not know how many thousands — 10,000 since last year, most of them, I take it, this year. I go around Conception Bay quite a lot, and I note every new sign as it goes up. Never a day would pass but I go around "the Bay." The latest ones are those that tell us there is a bad curve ahead, or there is a road crossing ahead, or a railway crossing ahead and so on. Thousands of signs, all of which it seems to me, help the motorist and help the public and should help to reduce the terrible hazards on the roads these days.

The minister told me yesterday I think it was, that actually the incident of accidents has fallen on the Conception Bay Highway, which is an astonishing thing. There is far more traffic on it this year than last year over the previous year. With an increase in traffic, there is a falling incident of accidents. I think the signs and the dividing marks on the roads must have had a lot to do with that. There is one thing about it. I have, dozens of times at least when going around "the Bay", seen the way some people still ignore these painted signs on the surface of the road, the dividing line, the double solid line. Well now, nobody in the world crosses a double solid line. It just is not done anywhere on the earth except here. Now, if you have to depend on and trust your life to those lines you can lose your life if the other fellows are not respecting the lines. If you are driving on that road and you respect that double line, that double solid line and the second broken line with the solid line on your side, if you depend on that and stake your life on it and the other fellow does not, you are going to lose your life. And I have come around "the Bay" with my heart in my mouth. There is a double solid line on the left, and a driver stops and leaves a foot and a half between his truck or bus, and the line cannot pass him, or, to pass him, has to deliberately go out of that double solid line. There he is on the other car behind, what is a driver to do. I tried all sorts of things. I tried stopping and getting out and walking up and asking if he is trying to force me to break the law. Apparently he does not know what I am talking about. Nobody had ever said anything to him in his life about stopping his car in the middle of the road.

**Mr. Higgins:** May I ask, Mr. Chairman, who was the person responsible for the allocation of these speed signs, some saying "speed 50 miles limit" and others "40 mile limit?" Is that the department?

**Mr. Power:** Well the decision was made to erect these speed limit signs, and I thought if we got the R.C.M.P. to advise our officials as to the proper speed limits in certain difficult areas that they would be more inclined, perhaps, to enforce these limits. And in every case the R.C.M.P. has recommended the speed limit signs. Some of these we reduced since. For instance, on the Portugal Cove Road, there was a 50 miles an hour sign around Windsor Lake. There was a lot of complaints about that so we reduced it to 40 or 35.

**Mr. Higgins:** I am thinking about North Arm, Holyrood.

**Mr. Power:** That was reduced to 30.

**Mr. Higgins:** It would be crazy to go 50 around North Arm Road.

**Mr. Power:** Actually, there is a certain code in Canada and in the States for the putting down of these lines, distances you can see so far — actually that road is so curved that it is almost impossible to put on a limit according to a code. Now, on the Trans-Canada Highway there won't be much more than a dotted line to show distances. I would like to say too, with regard to these signs, when 5 or 6 thousand more are made and erected, the job should be completed, except for maintenance and the vote then, of course, will be reduced.

**Mr. Higgins:** Might I ask, while on the subject of traffic speed, would the Minister be able to say how many mean the R.C.M.P. have on road traffic control; is there a minimum number and at certain times a lot of men out on the road?

**Mr. Power:** I would not know that, but I know that the Department of Highways had a couple of men checking about two weeks ago, and they were all day on the Conception Bay Highway and they saw one R.C.M.P. car for that day.



**Mr. Duffy:** Mr. Chairman, I agree with the signs. They were long overdue on our main highways. I think the Minister is to be complimented, I think he did an excellent job. I do find the route numbers a bit elaborate. I think one of the greatest menaces on the highway, speaking from experience, going out every day during the summer, is the people consistently, with immunity, going along 20 miles an hour in a line of 15 or 20 cars, and you cannot take a chance trying to pass them. I think they are a far greater menace than people speeding. In the modern car, I think 50 miles an hour is a very safe speed where it is indicated on that part of the highway, but I think something should be done about people crawling along at 15 and 20 miles an hour on the highway.

**Mr. Power:** In the regulations next year, I hope to bring in an amendment to the Highways Traffic Act. I may say that there has been a reduction in the accident rate on the Conception Bay Highway. I would say that reduction comes about more from the speed limit, because for a great section from here to Holyrood it is 30 miles an hour, and we certainly have less accidents going 30 miles an hour than we would at 50.

**Mr. Higgins:** While on the subject of traffic, Mr. Chairman, may I ask the Minister if he has ever received any representation on behalf of deaf-mutes in view of their being granted licences. I do not know anything about the propriety of entertaining such applications, but I have been told that there are several of these deaf mutes who have attempted to get licences. They claim that in certain other provinces they are allowed to be licenced. Have there ever been any applications to the department, do you know?

**Mr. Power:** I have no personal knowledge, but I would not assume a deaf mute would get a licence, because hearing is one of the essentials to driving.

**Mr. Higgins:** I was surprised to be told some Provinces do give them. I would like to know who they are.

**Mr. Power:** I have not heard of that. I know some provinces, of course, require medical examinations before getting a licence. Personally, I think that is a very good idea.

**Mr. Higgins:** I remember one time the Commissioner of Public Utilities was guilty of granting a licence to a gentleman—or he was at one time sued by a gentleman to whom he would not give a licence because of apoplexy.

**Dr. McGrath:** Then there was that case the offence was the person did not have apoplexy, but was only drunk.

**Mr. G. Nightingale (St. John's North):** I don't think this is fair. I am getting a little deaf. With a good rear-view mirror and good eyes I do not see why a deaf person should get in an accident.

**Mr. Duffy:** I happened to be associated with a group who were interested in this, and I understood that, in other provinces, I think all other provinces, they do get licences to drive cars. On examination, I think we would see the reasonableness. First of all, one does not have to talk to drive a car. As a matter of fact it might be a pleasure to meet, sometime, people on the highway who cannot talk. Secondly, they have sight.

**Mr. Smallwood:** Is the hon. gentleman married?

**Mr. Duffy:** I think that experience has shown that these deaf mutes are far more careful than people who have all their senses. I know some deaf mutes who were practically interested, and it seems they felt it very strongly that they were being discriminated against without any real reason. I do not know what can be done about it. There seems to be no valid reason. It is certainly reasonable to think, if he can get a licence elsewhere, he should be able to get a licence here.

**Mr. Power:** I will look into it and see what the regulation says, and if presently they can get licences or not. I do not know. I think the hon. gentleman mentioned the route signs. These signs that you see on the roads here are all put up according to the code in operation all over North America. These route signs may, to some people at home here, seem a bit useless as they all know where Pouch Cove is, and Bay Bulls and all the rest of the places, but if you were

a stranger here, and we have a number of route signs on the highways, you can go anywhere in Newfoundland without asking anyone a question. I would also like to say that in respect to all these signs and also the lines on the roads. We are having a pamphlet printed, which should be out next week, explaining everything in as simple a language as possible, and also a guide map. A copy of this will be available to every one in Newfoundland who holds a driver's licence, and I think that is about 54,000 people.

**Mr. Duffy:** What about the fellow whose licence is suspended?

**Mr. Smallwood:** He needs it more than anyone.

**Mr. Hollett:** Mr. Chairman, I would certainly like to see where the deaf mutes in other Provinces come in. I, too, would like to say I think the sense of hearing certainly adds to safety on the highroads. There was one sign up—I do not know who erected it nor who is responsible for it. "Death on the Highway." I am sure the hon. the Premier must have seen that. I think that is terrible.

**Mr. Smallwood:** That is the Newfoundland Safety League.

**Mr. Hollett:** Do they drive?

**Mr. Nightingale:** Some of them drive very poorly.

**Mr. Hollett:** Now I referred to the fact, sometime ago, there was a maintenance road grant of \$4,500,000, and in answer to a question I received, I take it all that money was used up.

**Mr. Power:** All that money.

**Mr. Hollett:** The administrative costs, I take it are taken care of by the salaries?

**Mr. Power:** No, there are certain administrative costs.

**Mr. Hollett:** At any rate, most of it is taken care of; that \$4,500,000 is used by just over 100 men. There are now only 14 to 16 men for each team.

**Mr. Power:** There are roughly 1,150 men involved. But you see the money is not all paid out to the men. In the scheme, the machinery is on a hire-purchase plan. We are paying off this machinery in yearly or monthly increments, but the total amount, yearly, for five years will be \$1,200,000.

**Mr. Hollett:** This is not machinery.

**Mr. Power:** The machinery is paid for out of this vote.

**Mr. Smallwood:** That is the whole point. The whole point of this scheme is that it is current account.

**Mr. Power:** The machinery is paid out of that vote.

**Mr. Hollett:** I see. That is to be paid over a period of five years. In other words, \$1.25 million comes out for machinery and the rest goes in labour for 1150 men. Well, from what roads I have seen, Mr. Chairman, I would say some very good work is being done. There is no question about that. Whether it is being all used to the best advantage I do not know. I do know the roads I have been over are very well done and kept up very well, I do regret that a few more men could not be taken on, but I suppose we have passed the day when we have to think about men. We have to think about mechanics now. It is unfortunate, because at this particular time there are so many men out of work; it is heartbreaking. I know every man here in this house must have the experience, day after day, of people looking for labour, as a matter of fact most of our labour now being carpenters because they get carpenter jobs much easier than labour jobs. I do wish some more men could get work on the roads. I mentioned a place the other day in the hon. Speaker's district where practically all the men in the community are out of work. If some work could be started up in places like that—I did not know the machinery came out of that.

**Mr. Smallwood:** That is one of the attractive features of it.

**Mr. Hollett:** I do think the sign system is good, the double line is good too. Someone passed me on that the other day. I did not

mind that. We all do things sometimes, but it is a safety measure, there is no doubt about that. I know one place where the speed limit was fifty miles an hour. I felt like getting out and taking that down. About 200 yards ahead there was a curve. I just forget where, but it was somewhere from here to Holyrood.

**Mr. Power:** We took down all the 50 mile signs here, close to town.

**Mr. Hollett:** Altogether, I would say we have a Highway Department doing a fairly good, a very good job this year so far.

**Mr. Renouf:** I have just one comment to make it unanimous. At first I did think the signs were excessive in number, but on driving around Conception Bay a few days ago, as well as making a night drive home so much safer, it is always an advantage with young children in the car to make them aware of all the hazards and all the things necessary to take them home safely, and there are a lot of other advantages as well.

**Mr. Power:** We are thinking of putting aluminum signs on the road next year, which would be a great improvement over the ones there now.

**Mr. Hollett:** There is just one other comment I am afraid I will have to make. I do not like the system of hiring the men for these 71 teams. I do not like the system very much. I deplore the fact that the Minister of Highways would endorse. I mentioned it the other day and do not want to enlarge on it now, but I do think the quicker we get rid of that system the better. We all have to live, Liberal, Tories or C.C.F. or whatnot. I think any man who pays taxes in this country has as much right to a job on the highway or anywhere else as a man who professes to be a Liberal and who is sometimes not a Liberal. In that, I do wish the Minister would see to it that the idea is wiped out completely.

**Mr. Power:** I might tell the hon. gentleman that in the hiring of these men, in almost every case where it involved the operation of machinery, the men were hired according to their ability on the recommendation of the superintendents. It was not easy to

get men to operate all this machinery. We just did not have the men in Newfoundland who knew how to do these things, to operate machinery. So we brought in skilled operators from the mainland, from the machinery companies, and they trained some of our men who in turn trained others. I would say this with regard to the highways. No matter how these men were hired there would still be dissatisfaction. I mean, do it your way, do it my way, there would still be dissatisfaction, and I think, by and large, there was not any injustice.

**Mr. Hollett:** I did not call it injustice. The fellow who did get it had just as much right to work as the fellow who did not get the job. On motion, 1703, 1704, 1705, 1706 carried.

**Mr. Hollett: Wharves, Breakwaters and Ferries—**That has nothing to do with the Placentia Ferry?

**Mr. Power:** Holyrood Pond, that is.

**Mr. Hollett:** Yes. I do not think I need to say very much on that at the moment. The Government has expressed itself. It does not intend to have anything to do with this. I think something ought to be done or considered by the Government, if not now then at some future date. I will persist in saying what I said the other day. We have in Placentia one of the oldest settlements, one of the most historic settlements in the Island of Newfoundland, and any public service the Government can bring to them I think not only would be appreciated but I think would be a credit to the Government. Everyone knows the history of Placentia "Gut", everyone knows what it would cost to put a bridge across there. I think the number of people who go over on that ferry every day are up in the hundreds and the number of cars that cross on that ferry every day—It looks to me very much as if there were a bridge there it certainly would justify itself. Not because the Government has now a ferry there they cannot give some consideration to the building of a bridge. I do hope the time will come, shortly, when the Government will consider it. I am not speaking of this in any political sense. I do think it would be a good thing. The hon. member for Labrador there—He wants me to say something about his district, and I could tell

him something about his district, about the roads down there. There are no roads down there in the hon. member's district, and I can understand why he is worried. He cannot get down there unless he has roads and he cannot go in Mr. Pickersgill's boat because she was lost. So, if the hon. member for White Bay North would endeavour to get the Government do so something for the people in that district, it would be a wonderful thing because they have not got a road down there. I do realize that everyone cannot get everything they want. I do say, if something can be done in the near future to put a bridge across the Placentia "Gut" then that would be a monument to Confederation and a monument to the Liberal Government. I suggest that to the Government. That is the finest monument they can put up. They can think of that for the next couple of years, if it happens that they last that long.

**Mr. Power:** In reply to the Hon. Leader of the Opposition, I may say there would not be anyone in this house more anxious than I to accommodate in every way the people of my district. I do not say that it is a very urgent matter, if the hon. gentleman will allow men.

**Mr. Hollett:** I agree.

**Mr. Power:** We have provided, I would say a very, very fine service. I would say that in the future sometime there will be a bridge on Placentia "Gut", when the population increases, but for the present it is a bit outrageous to ask the Government, after accepting that ferry, to scrap it after two years. Most people in Placentia, the majority of the people in Placentia, do not expect us to do that. And I know as much about Placentia District as any one. Perhaps, if we live long enough, someone here may have the privilege of building the bridge. But there are a lot of bridges to be built over a lot of rivers and a lot of water that are more urgently required. In view of that, I did not insist that the Government consider this bridge on Placentia "Gut" as an urgent matter. Even with regard to my own district I will be fair to all other districts. I thank the hon. gentleman again for his interest. He said, I think, the other day that I refused to see the Bridge Committee. That is not ex-

actly so. I did agree to see certain members of the Committee. It is a self-appointed body, which took it upon themselves.

**Mr. Hollett:** I am very sorry the hon. minister made that point that he refused to see certain gentlemen. I know all about it. I am very sorry. I do not think any of us can refuse to see anybody when they come to us in an orderly manner. But it has been suggested to me that, if the Provincial Government made a sort of a recommendation or application, as the case might be, to the Federal Government relative to that bridge there that it might receive favourable consideration. These people out there are anxious to get what they call a toll bridge. They believe a toll bridge there would very soon liquidate the original cost, over a period of so many years, and I think it might be possible, if the Provincial Government would even suggest it to the Federal Government, some consideration would be given. I am quite sure the Premier might consider that.

**Premier Smallwood:** Well, Mr. Chairman, I hear with considerable interest the suggestion, but with some skepticism, of the Hon. Leader of the Opposition, that if I were to approach the Federal Government they might consider helping to build this bridge. Now, I say I hear that suggestion with not a little skepticism. So far, I have not had even a reply to my last enquiry, and that was not asking for any favour, that was asking for something this house unanimously stated was our right. Notwithstanding anything that Mr. Browne might have said or might not have said in the recent election, I have the gravest doubts, the gravest doubts, that the Government of Canada, under any party, any administration, will ever build a bridge across the Placentia "Gut". If they are going to build a bridge across Placentia "Gut" why not across all other guts, why not build a bridge on the Holyrood Pond "Gut", the Portugal Cove-Bell Island "Gut", why not build the Bunyan Cove-Charlottetown Bridge, or the Exploits River.

**Mr. Hollett:** Why build roads to wooded areas fifty-fifty, and access roads to resources. You have heard of that?

**Mr. Smallwood:** It is so. But I also see a very, very great difference between roads to

forest and mines to open up the natural resources of Canada and just building bridges. There are so many bridges to be built in Canada, and the building of bridges is so obviously a provincial responsibility that I just cannot see the Government of Canada taking that additional responsibility on itself. It is already responsible for the building of wharves and breakwaters and the like, lighthouses, aids to navigation of all kinds. And they have to spend hundreds of millions of dollars every year. I just cannot see them voluntarily taking the responsibility for the building of bridges. I do not see it. I do not believe they are going to do it. I believe the Prime Minister would be astounded. I can just imagine the tongue-banging someone would get if the Prime Minister were now to learn one of his candidates had said: "Get Mr. Diefenbaker elected, and me, and you will have a bright put on Placentia "Gut."

**Mr. J. D. Higgins:** (St. John's East): Reverse that—"Me and Mr. Diefenbaker."

**Mr. Smallwood:** All right. I am sure the Prime Minister would be speechless with something on other, speechless. I will say one final thing, and I think it is only fair to myself that I should say this (a man has to be fair to everyone including himself). I have been accused in Placentia by the Bridge Committee of saying something. I want now to make absolutely clear, so there is no mistake about it, what I did say. I said, after looking at the petition, seeing the names, a couple of thousand, 2000 or 3000 people on it, and after seeing page after page of solid lists of names in identical handwriting, obviously written by the same hand, with no witnesses, no "X" no "his mark," nothing, just pages of names, which could have been copied out of a directory; after seeing dozens of whole pages, not dozens, but at least 20 pages in that petition, 20 pages of names, great lists of names in the same handwriting, with no "his mark," no witness, nothing but just names, I said it was faked. I am not saying that, if a man cannot write and cannot sign his name, and somebody else signs it for him and then writes the words "his mark" and then the man holds the pen and the man who writes holds the man's hand and guides it and marks the "X" and that is

witnessed—that has to be witnessed because he could fake the man's name and fake the mark if there were no witness to it. It would be obviously, at least, the occasion of fakery. That petition has names on it in scores and scores that were just written in in the same writing without any identification whatsoever, and obviously faked—obviously faked.

**Mr. Hollett:** Mr. Chairman, I must on behalf of these people there take exception to that statement. The Premier is insinuating the people out there just forged names.

**Mr. Smallwood:** I do not insinuate that. They might have written other peoples names with the consent of other people.

**Mr. Hollett:** Has the Hon. the Premier scanned every petition that came in, and has he not seen certain names in the same handwriting, if he did scan them? The Hon. the Premier must know that, in a good many parts of Newfoundland, including Placentia, there are some people who cannot write their names, and people who can write think if they write down my name and I am there that is all is necessary. But I think it is highly unfair to suggest these names were forged. I am quite sure the Hon. the Premier did not mean to say that.

**Mr. Smallwood:** I agree with every word my hon. friend just said, but it does not cover the case of page after page after page.

**Mr. Hollett:** Nonsense.

**Mr. Smallwood:** Yes, Pages and pages and pages and pages of names in the same handwriting, with no marks, no names, no witnesses, just page after page after page.

**Mr. Hollett:** Could we have that produced again?

**Mr. Smallwood:** I would think so. Yes. It must be around somewhere. I do not know where it is. I have not the foggiest idea where it is.

**Mr. Hollett:** I suppose the Hon. the Premier ought to know. It was tabled here.

**Mr. Power:** It is in the Department of Highways.

**Mr. G. Nightingale:** (St. John's North): I think it would be better to spend that money paving the roads in Placentia, so the people in St. John's may go and see the new bridge when it is built. At the present time it would be much better to spend it paving the roads. On motion, Department of Highways carried.

**Mr. Smallwood:** Now, Mr. Chairman, I wonder what is the wish of the Opposition. We have now completed current account. We have still before us capital account. If the Opposition desired, we can go on now and stay here until we finish it, or we can rise now and come back tonight. 95% of it is not debatable, there may be 5% of it we want to debate. Most of it, I think, is so obvious.

### ESTIMATES:

#### Capital Account:

#### Department of Finance IV:

**Hon. M.M. Hollett:** (Leader of the Opposition): I wonder if the minister would tell us what the loans are. I have answers here. It is not indicated under Guarantee. What do these loans consist of?

**Premier Smallwood:** It is a considerable number—Eckhardt's Mills; Olsen's Whaling, Koch Shoes; Cape St. Francis Co-Operatives; Newfoundland Hardwoods; Newfoundland Tanneries; Hanning Electric; McLellan (that is the former bus and Bell Island operators); Fisheries Products; Atlantic Gloves; Atlantic Gypsum; W. W. Wareham; Mufflin Fisheries; United Cotton; Gold Sail and such like; and Boards of Education; Corner Brook Regional High School; Bonavista Cold Storage; Gaultois Fisheries; Trask Foundry; A. Adler; Atlantic Hardboards; North East Fish Industries; and tourist loans and contingencies. That makes up the total amount.

**Mr. Hollett:** The Hon. the Premier is speaking from memory, and I am quite sure his memory is very much at fault. The only loans that are made to the new industries, according to answers I have, as to loans made since March 31, 1957; Newfoundland Hardboards Limited; Atlantic Gloves; A.

Adler of Canada Limited—Three new industries. The Hon. the Premier mentioned at least a half dozen.

**Mr. Smallwood:** This is an accumulation of previous years. This is the reduction of loans guaranteed at the bank, issued under guarantees, payments by us in this current year of amounts guaranteed in former years, now falling due.

**Mr. Hollett:** I see. Industrial Development Loan Board. What was the actual amount last year?

**Mr. Smallwood:** It is not shown here in the notes. I doubt if there was any—I do not think there was any last year.

On motion, Department of Finance carried.  
Department of Education: carried.

Department of Mines & Resources—carried.

Department of Public Works—carried.

Department of Health—carried.

Department of Public Welfare—carried.

Department of Municipal Affairs and Supply—carried.

Department of Fisheries—carried.

Department of Economic Development—

**Mr. Hollett:** Mr. Chairman, I would like to bring up the matter of O'Brien Fisheries. I would like to go into some detail—If I could be assured by the Government that the situation with regard to salmon is taken care of—The point I want to bring up is that these people were assured by various members of the Government that they would stand to lose nothing in conjunction with selling their salmon to O'Brien Fisheries. Well, they have lost something like \$5,000 in that particular settlement. I think that in order to make good the promises that you made to them by various people of the Government (or at least from the opposite side) that something ought to be done. The Government ought to take another look at it. As I pointed out the other day, some \$40—odd thousand were paid to the people who caught and sold lobsters to O'Brien Fisheries. The men who caught and sold salmon to O'Brien Fisheries were also assured that they would not lose by selling to O'Brien Fisheries. The record which I have shows that there are quite a number, quite a

number, of fishermen who are owed various amounts, totalling just over \$5,000. These people feel very badly over this, and have asked me to bring the matter again to the notice of the Government, so that proper consideration might be given to it. I do not know whether the Government would like to say anything now.

**Hon. J. R. Smallwood (Premier):** Mr. Chairman, I will say two things (1) the Government agreed to take responsibility for the debt that O'Brien owed to lobster fishermen. We agreed to take on that responsibility and to pay off those debts. That we did. That we did. To be quite candid about it, we did that because, and only because, we had been informed that it was due to the advice given to the lobster fishermen to sell their lobsters to O'Brien Fisheries that the fishermen did so and lost heavily in so doing. In other words, Mr. Chairman, the lobster fishermen who lost by selling to O'Brien Fisheries lost because they followed the advice of certain fieldmen, employees of the Government, out in the field down there in Notre Dame Bay. They, as fieldmen, advised the fishermen to sell their lobsters to O'Brien Fisheries. When that was presented to us in the Government, we felt that we were bound, morally, to make good the loss caused these lobster fishermen by the advice of our own employees, agents of the Government. The fishermen were not advised to sell their salmon, nor their codfish, nor their lumber, nor their berries, or other products which they did sell, undoubtedly, to O'Brien Fisheries. They did not sell these products because they were advised by our agents to do so, but they did sell their lobsters because of advice they received from employees of the Newfoundland Government. So the Newfoundland Government felt, and I think very properly, that in honour we should assume these debts. And we did. We paid them off. Now that is the first thing I wanted to say.

The second thing I want to say is this: We will review the matter again. We will look at it again, and give it ample consideration. We will do that. I promise that now.

**Mr. Hollett:** Mr. Chairman, that being so I think I can safely leave that in the hands of the Premier and the Government. As I said, I have assurances from various members of

the Government (Liberal members) that this thing would be taken care of. O'Brien Fisheries were given a loan by the Government for them to endeavour to assist the fishery, the salmon and lobster fishery.

**Mr. Smallwood:** That loan is another matter.

**Mr. Hollett:** They were given that loan in order to assist. The Hon. the Premier has been good enough to say he will reconsider. I will leave it at that at the moment.

On motion, Department of Economic Development, carried.

## HIGHWAY ESTIMATES

### (CONTINUED)

**Mr. Smallwood:** \$11,000,000. I wish it was twice that.

**Mr. Hollett:** New Machinery \$100,000—I was given to understand that new machinery was paid for out of current account.

**Mr. Power:** That \$100,000 on capital account is in respect of small things.

**Mr. Smallwood:** Pieces of machinery, jack hammers and the like. It would be difficult to buy these things on a hire purchase basis, so we had to get this \$100,000 for pumps, generators, compressors and things like that.

**Mr. Nightingale:** I asked this question earlier. It may not be appropriate now. The cost of paving the road from Torbay to Pouch Cove in comparison with the cost of repairing it year after year. From Torbay to Pouch Cove is about nine miles, or twelve miles.

**Mr. Power:** I think it is sixteen or seventeen miles to Pouch Cove from the end of the paved road. The estimate the engineering department came up with was \$700,000 for the paving of that road. The maintenance of the 16 or 17 miles is hard to get at. The total cost of maintenance in that area for all the roads around there, the Marine Drive, the road to Pouch Cove and other small roads around there is \$60,000 a year. I do not know what percentage of that would be

the Torbay-Pouch Cove Road—I suppose about \$20,000.  
On motion, Department of Highroads, carried.

### PROROGATION:

**Mr. Smallwood:** Mr. Chairman, I wonder if I could have the advice of my hon. friend, the Leader of the Opposition? Except for enacting the formal Bill that gives effect to all that we have done, which is done first by introducing a Resolution (that it is expedient to bring in a Bill appropriating this money) except for that, we have completed the work of this session. What remains is purely a formality, to be followed by prorogation of the house by His Honour. Now, we could invite His Honour to come here tomorrow afternoon and prorogue the house, say at four o'clock. We could meet at three o'clock and put through this Resolution and Bill, in which case we would not need to meet tonight nor tomorrow morning. We could meet tomorrow afternoon at the usual time and have His Honour come at four o'clock and prorogue the House. Would that be agreeable to the Opposition?

**Mr. J. D. Higgins** (St. John's East): From echoes on my left, I say, yes.

**Mr. Smallwood:** Mr. Chairman, that being the case I say, in the absence of my colleague, the Minister of Finance, who is not sitting in his place at the moment, I move first that this committee rise, report having passed the matter to it referred.

On motion, Committee on Supply rose to report progress.

Mr. Speaker resumed the Chair.

**Mr. Clarke:** Mr. Speaker, the Committee of Supply have considered the matters to them referred and passed estimates of current expenditure under the following: Department of Municipal Affairs and Supply. Items 1332 and 1333 and Department of Economic Development and Department of Labour and Department of Highways. The Committee have also passed estimates under Capital Account under the following headings: Consolidated Fund Services; Department of Finance; Department of Edu-

cation; Department of Mines and Resources; Department of Public Works; Department of Health; Department of Public Welfare; Department of Municipal Affairs and Supply; Department of Fisheries; Department of Economic Development; Department of Highways.

Mr. Speaker, that completes the estimates by the Committee of Supply:

On motion, report received.

### WAYS AND MEANS COMMITTEE

**Mr. Speaker:** I think, for the guidance of the house, I would refer hon. members to Standing Orders, page 34: "When the Committee of Supply has completed its consideration of the Estimates and its report has been adopted by the house, the amounts are incorporated in Resolutions to be presented to the Committee of Ways and Means. The resolutions as adopted by Ways and Means are reported to the House, put by the Speaker and incorporated in the Bill of Supply or Appropriation Bill which is introduced by the Finance Minister and given its three readings then and there." So, as hon. members can see, it is possible to complete the business of the house now. Is it the wish of the house to proceed?

**Hon. E. S. SPENCER** (Minister of Finance): Mr. Speaker, I move the house go into Committee of Ways and Means to consider this Resolution.

On motion, Mr. Speaker left the Chair.

Chairman of Committee of Ways and Means, Mr. Clarke.

On motion resolution read and carried.

On motion, the Committee rose to report having passed said resolution.

Mr. Speaker resumed the Chair.

**Mr. Clarke:** Mr. Speaker, the Committee of Ways and Means have considered the matter to them referred and directed me to report having passed said Resolution.

On motion, report received.

On motion, Resolutions read a first time.

On motion, Resolutions read a second time.

On motion, a Bill, "An Act For Granting To Her Majesty Certain Sums Of Money For Deferring Certain Expenses Of The Public Service For The Year Ending 1959 And



Other Purposes Relating To The Public Services," read a first time.  
On motion, Bill read a second time.

**Mr. Hollett:** Mr. Speaker, if I may, I just want to read this for the benefit of all of us Newfoundlanders. This is from the Daily News of this morning: Grand Bank notes. I just want to read it if I may. It is nothing contentious. "Although the weather conditions were not too favourable, fishermen report fish plentiful. Meanwhile fish bait supply is still not in existence and recently frozen bait was brought in from Nova Scotia and distributed." (This is the part I want to sink in). We understand Fishery Products Limited have brought in some frozen squid for bait in one pound packages from California, which indicates how acute the bait shortage has been this year.  
On motion, Bill read a second time.  
On motion, Bill read a third time, ordered passed and title be as on the Order Paper.

**Premier Smallwood:** Mr. Speaker, that completes the business of the session. I move that the house at its rising do adjourn until tomorrow Wednesday, at 3:45 o'clock P.M. which is about a quarter of an hour before His Honour would arrive to prorogue the house. That would enable all members to be in their places, and the public to be properly seated, so as to receive His Honour with all proper respect, dignity. I may say that we are very grateful—regretfully I may not be present myself, but the house may be able to get along without me, perhaps all the better, for one occasion at least.

On motion, the house at its rising adjourned until tomorrow, Wednesday at 3:45 o'clock P.M.

Wednesday, September 10, 1958

(Afternoon Session)

The house met at three o'clock.  
Mr. Speaker in the Chair.

#### Presenting Petitions:

**Mr. Hollett:** Mr. Speaker, I have a petition, so called. It is not a petition but a telegram.

**Mr. Speaker:** I am sorry. A telegram cannot be read as a petition. A petition must be signed.

**Mr. Hollett:** This is signed, and starts out by stating — This is a petition.

**Mr. Speaker:** I am sorry, I think probably the house might allow the Hon. Leader of the Opposition to make a comment, but it only could be done with the indulgence of the house. A telegram cannot be a petition. It is definitely stated in the rules that a petition must be signed with the signatures of the people presenting it, and it specifically exempts telegrams from being called petitions.

**Mr. Hollett:** I will abide by your ruling, Mr. Speaker.

**Mr. Speaker:** Perhaps the Hon. Leader of the Opposition could take it up with the minister concerned, presently.

#### ANSWERS TO QUESTIONS:

**Mr. Speaker:** There are some questions which have not been called. Question No. 79 addressed to the hon. minister of Highways by the hon. member for St. John's South.

**Hon. G. J. Power (Minister of Highways):** Mr. Speaker, I must apologize. The answer to that question is not ready yet, but, if the hon. member is agreeable, I will mail the answer to him.

**Question No. 80:** Addressed to the hon. Minister of Mines & Resources by the hon. Leader of the Opposition.

**Hon. F.W. Rowe (Minister of Education):** Mr. Speaker, in the absence of the hon. Minister of Mines & Resources, if I may, with your permission, I would like to say there has not been the necessary time to get these answers prepared the answers to Question No. 80 and also Question No. 81. I may say, they are in course of preparation and will be mailed to the Hon. Leader of the Opposition, in the case of Question No. 80, and to the hon. member for St. John's Centre in the case of Question No. 81.

**Mr. Hollett:** Mr. Speaker, Question 64 has not been answered, to my knowledge. I do not know whether the answer is forthcoming or not.

**Hon. B.J. Abbott (Minister of Supply):** Mr. Speaker, the answer to Question No. 64 will be mailed to the hon. Leader of the Opposition.

**Mr. Speaker:** I wonder since these questions were asked in this house and are therefore of interest to all members of the house, and normally, if time had permitted, it is normal for some questions to be left over of course, one or two sometimes. I wonder if the ministers concerned in sending these answers also send answers to each member of the house. The clerk also should have copies of every question asked in the house and answers for his records. I wonder if the ministers concerned would be good enough to take notice of that request. I may at this time inform hon. members that the Lieutenant Governor is due in approximately four minutes, to prorogue the house.

**Sergeant-at-Arms:** His Honour the Lieutenant Governor has arrived. His Honour the Lieutenant Governor took the Chair.

Mr. Speaker addressed His Honour as follows:

It is my agreeable duty on behalf of Her Majesty's dutiful and loyal subjects; Her faithful Commons in Newfoundland, to present to Your Honour Bills for the Appropriation of Supply granted in the Present Session.

Whereupon the Clerk read the following Bill:

A Bill,

"An Act For Granting To Her Majesty Certain Sums of Money For Defraying Certain Expenses Of The Public Services For the Financial Year Ending The Thirty-first Day of March, One Thousand Nine Hundred and Fifty-nine and for Other Purposes Relating to the Public Service."

His Honour then said "In Her Majesty's

name I thank Her Loyal Subjects and assent to this Bill."

Mr. Speaker, addressed His Honour as follows:

May it please Your Honour, the General Assembly of the Province has at its present session passed certain Bills to which, in the name and on behalf of the General Assembly, I respectfully request Your Honour's assent.

Whereupon the Clerk read the following Bills entitled:

A Bill,

"An Act To Provide For The Erection Of A Provincial Government Building."

A Bill,

"An Act To Authorize The Raising Of A Sum Of Money By Way Of Loan On The Credit Of The Province And To Repeal Act No. 46 of 1958."

His Honour then said "In Her Majesty's name I assent to these Bills."

His Honour continued:

MR. SPEAKER AND MEMBERS OF THE HONOURABLE HOUSE OF ASSEMBLY:

I am happy to release you from further attendance after a session which has been punctuated by a long and anxious recess. In doing so, I thank you for the careful attention and consideration you have given the matters which my ministers have submitted to you.

The most important piece of legislation that has had your consideration has been a Bill authorizing my Ministers to enter an agreement with one of the most respected Pulp and Paper Corporations in the World, the Crown Zellerbach Corporation. It is my hope that, as a result of this agreement, my Ministers will be successful in bringing about very large timber developments in Labrador and on the Island of Newfoundland, thereby leading to the construction of a pulp mill and a third paper mill, as well as utilization of the great hydro resources of the Bay D'Espoir area.

In the field of Fishery Development you have approved a measure designed to assist our Fishery and Coasting Trade by providing for the payment of bounties for the rebuilding and repairing of vessels. This ac-

tion will be especially welcome in view of the high cost of building new vessels.

Various Bills connected with Local Government and Municipal Affairs have come to your attention. In particular, you have approved a measure to incorporate the City of Corner Brook, thus creating the machinery whereby our second city may govern itself competently and efficiently in matters coming under its jurisdiction. You have also received favourably a Bill designed to facilitate and simplify the assessment of property in municipal areas.

You have considered the increasing expansion of Government services in the Province and have noted the totally inadequate facilities housing these services. As a result of your deliberations we may look forward to the rapid construction of a public building worthy of this ancient capital and of this rapidly growing province.

**MR. SPEAKER AND MEMBERS OF THE HONOURABLE HOUSE OF ASSEMBLY:**

I thank you for the provision you have made for all essential services for the present fiscal year. I am especially pleased that you have supported my Ministers' policy of giving further encouragement to education in the Province by doubling the grants for the construction of both ordinary schools and regional high schools, increasing substantially the salaries of our teachers, and creating a system of scholarships and bursaries designed to eliminate the educational inequality that has characterized so much of

our history. Your generosity will enable my Ministers to implement their policy of making free medical services available to all our children under sixteen, and free hospitalization available to all our people irrespective of age or circumstances.

In common with all of the people of the Province, my Ministers eagerly awaited the recommendations of the Royal Commission for the Revision of the Terms of Union. My Ministers have welcomed the decision of the Government of Canada, based on the dissatisfaction expressed by the people of Newfoundland, not to accept those recommendations until further study has been given them. My Prime Minister has expressed your disappointment over the failure of the Government of Canada to accede to a resolution unanimously adopted by your hon. house requesting interim payment of an amount at least equal to the amount recommended by the Royal Commission.

In releasing you from your duties I express the hope that Divine Providence will continue to guide you in your various callings, and that His blessing will be on all our people as they continue their various avocations on the sea, in the forest, in the mines, in industry and in every field of their labour. His Honour the Lieutenant Governor left the Assembly Chamber.

Mr. Speaker then said:

It is the will and pleasure of the Lieutenant Governor that this General Assembly be prorogued until the third day of January next, and this Assembly is prorogued accordingly.

## INDEX

- Page 3 House opens Throne Speech
- Page 6 New member (G.R. Renouf) introduced
- Page 7 Throne Speech debate (E. Winsor)
- Page 9 Throne Speech debate (E. Jones)
- Page 12 Throne Speech debate (Hon. M.M. Hollett)
- Page 14 Throne Speech debate (Hon. J.R. Smallwood)
- Page 15 Crown Zellerbach Paper Mill Proposal
- Page 18 Personal Privilege (Hon. Dr. J.M. McGrath)
- Page 20 Throne Speech Debate (G.R. Renouf)
- Page 24 Throne Speech Debate (Hon. F.W. Rowe)
- Page 33 Legislative Proposal (Second Reading) of Bill "An Act To Amend The Commissioner Of Oaths Act, 1954."
- First Reading of proposed amendments to existing acts: "The Designation Of Beneficiaries Under Pensions And Other Plans," "The Blind Persons Allowances Act," "Workmen's Compensation Act," "Vocational Education Act."
- Page 34 Gives unanimous consent to Second Reading of amendment to Workmen's Compensation Act: Debate on amendment on
- Pages 34-35-36-37:
- Page 37 Ministerial Statement: Store Closing; St. John's (Premier)
- Page 38 (Leader of the Opposition)
- Page 38 Health Department Report (1956) tabled
- Page 38-39 Proposed amending legislation: "Crown Lands (Mines and Quarries) Act, 1958"; "Community Councils Act"; "School Attendance Act"; "Education (Teachers' Training) Act"; "Local School Tax Act 1957";
- Page 39 Proposed federal legislation relative to electric power supply:
- Page 41 Deputy ministers appointments:
- Page 44 Address in Reply (J. Forsey)
- Page 48 Legislation: Committee of the Whole on: Amendment to "Commissioners Of Oaths Act, 1954" Amendment to "Workmen's Compensation Act."
- Page 53 Premier challenges ruling of Committee Chairman.
- Page 55 Amendment to the "Vocational Education Act."
- Page 55 Second reading of amendment to "Blind Persons Act."
- Page 55 Second reading of amendment to "Old Age Assistance Act."
- Page 57 Department of Education report (1957) tabled.
- Page 60 Address in Reply (A.M. Duffy).
- Page 72 Address in Reply (C.M. Lane).
- Page 74 Legislation: Second Reading Old Age Assistance Act.
- Page 76 Workmen's Compensation Act.
- Page 77 Adjustment Grant: St. John's Shop Act: Ministerial Statement.
- Page 80 Term 29: Able-bodied relief.
- Page 82 Motions: Legislation:
- Page 84 Address in Reply (C.M. Lane - continued):
- Page 90 Address in Reply: (J.D. Higgins):
- Page 98 Legislation: Committee stage:
- Page 98 New Legislation: St. John's Shop Act:
- Page 99 Social Assistance Legislation (Second Reading)
- Page 102 Address in Reply (P.J. Canning):
- Page 108 Address in Reply (G. Sellars):
- Page 114 St. John's Shop Act:
- Page 117 Social Assistance legislation (Committee of the Whole)
- Page 119 Annual report of Department of Public Welfare tabled.
- Page 119 Ministerial statement re St. John's housing:
- Page 121 Address in Reply (Hon. M.M. Hollett)
- Page 132 Mining fraud charges (Javelin)
- Page 148 Adjourned debate on Address in Reply (Hon. M.M. Hollett)
- Page 156 Industrial development losses:
- Page 159 Address in Reply (Hon. J.R. Smallwood)
- Page 164 Roche's Line farm.
- Page 168 Colinet bog-lands.
- Page 169 Point of Privilege (Hon. M.M. Hollett)
- Page 170 Bell Island ferry.
- Page 173 Address in Reply (G. Clarke)
- Page 177 Address in Reply (G. Nightingale)
- Page 182 Legislation (Third Reading):
- Page 183 Legislation (First Reading):
- Page 183 St. John's Shop Act (Second Reading):
- Page 192 Public Accounts Printing:
- Page 193 Petitions: need for electricity: St. Mary's Bay:
- Page 196 Address in Reply (Hon. Dr. J. McGrath):
- Page 200 Address in Reply (J. O'Driscoll):

## HOUSE OF ASSEMBLY PROCEEDINGS

- Page 202 St. John's Shop Act (continued)
- Page 211 W. Smallwood (Green Bay):
- Page 213 (Hon. J.R. Smallwood - Premier):
- Page 216 Petition (Hon. Dr. McGrath) - Ferry - Colinet Island:
- Page 218 Address in Reply (C. Sheppard):
- Page 223 Address in Reply (S. Smith):
- Page 225 Legislation - Amend Education Act - Second Reading:
- Page 228 Amend Welfare of Children Act: Second Reading:
- Page 331 Amend Local Government Elections Act: Second Reading:
- Page 232 Committee of the Whole: St. John's Shops Act:
- Page 236 Ministerial Statement (Premier) - St. Lawrence Mine:
- Page 238 Address in Reply: (Hon. J.T. Cheeseman):
- Page 239 Term 29:
- Page 240 South West Coast Enquiry:
- Page 243 Export fish inspection:
- Page 247 Resolution: Mining Taxation:
- Page 250 Legislation: Corner Brook Incorporation:
- Page 253 Port of St. John's (Foundation Report):
- Page 255 Legislation: Amend the "Revenue and Audit Act": (Second Reading):
- Page 256 Mr. Speaker on rules of conduct:
- Page 257 Petition (Cappahayden) Hon. Mr. Murray:
- Page 258 Supply resolution - notice of:
- Page 260 Address in Reply (W. Smallwood):
- Page 264 Address in Reply (L. Strange):
- Page 267 Second Reading Legislation re encouragement of pulp and paper manufacture.
- Page 270 Mining Tax (Bell Island)
- Page 272 Committee of the Whole (Education Act)
- Page 277 Supply (Estimates)
- Page 286 Adjourned debate: Address in Reply (E. Jones - Burin)
- Page 293 Legislation - Second Reading - Amend the "Local Government Act, 1956."
- Page 296 Petition "Penetanguishene: (G. Nightingale)
- Page 297 Address in Reply (I. Mercer)
- Page 306 Legislation varied; Third Reading.
- Page 307 Notice of Motion: Crown Zellerbach:
- Page 314 Legislation varied: Royal Assent (16)
- Page 315 Petition - Bonavista South (U. Strickland)
- Page 316 Petition - Hr. Main - (M. Whalen):
- Page 317 Address in Reply (Hon. B.J. Abbott):
- Page 318 Grants and Loans:
- Page 327 Crown Zellerbach:
- Page 330 Committee of the Whole (Corner Brook "incorporation" Act)
- Page 332 Bronze busts, unveiling of:
- Page 334 Petition - Culls Harbour - (Premier Smallwood):
- Page 335 Petition - Bacon Cove (M. Whalen, Harbour Main):
- Page 335 Address in Reply (Hon. L.R. Curtis):
- Page 341 Committee of the Whole: Supply Resolution:
- Page 342 Interim Supply: (Hon. E.S. Spencer):
- Page 352 Address in Reply (U. Strickland):
- Page 360 Committee of the Whole: on "An Act To Incorporate The City Of Corner Brook" etc.
- Page 361 ON "An Act To Amend The Department Of Highways Act":
- Page 362 Legislation: Third Reading ON "An Act Further To Amend The Revenue And Audit Act"; ON "An Act Respecting The Payment Of Bounties On The Rebuilding And Repairing Of Fishing And Coasting Vessels."
- Page 363 Ministerial Statement (Premier): Public Health Police, hospitals, etc:
- Page 365 Petitions: Dildo (Hon. S.J. Hefferton): Maddox Cove (G.R. Renouf) Long Harbour, Arlington Heights, (Hon. M.M. Hollett):
- Page 366 Legislation: Second Reading: Amend the "Health And Public Welfare Act:"
- Page 366 New Legislation: Introduction: A Bill "An Act Further To Amend The District Courts Act." A Bill "An Act Further To Amend The Judicature Act;" A Bill "An Act Further To Amend The Loan And Guarantee Act 1957;" A Bill "An Act To Amend The Local Authority Guarantee Act 1957;" A Bill "An Act To Amend The Unimproved Lands Act 1957;" A Bill "An Act To Amend The Fishery Salt (Sales and Distribution) Act 1957;" A Bill "An Act Further To Amend The Undeveloped Mineral Areas Act;" A Bill "An Act Further To Amend The Gasoline Tax Act."
- Page 367 Second Reading of a Bill "An Act To Amend The Department of Municipal Affairs and Supply Act."
- Page 368 Second Reading of a Bill "An Act Further To Amend the Civil Service Act."

## HOUSE OF ASSEMBLY PROCEEDINGS

- Page 369 Third Reading of the following Bills: "An Act to Incorporate the City of Corner Brook" etc. "An Act To Encourage The Manufacture Of Pulp And Paper;" "An Act Further To Amend The Highway Traffic Act":
- Page 369 Committee of the Whole on:  
Bill 22 "An Act Respecting The Payment Of Bounties On The Rebuilding And Repairing Of Fishing And Coasting Vessels" and on Bill 13 "An Act Further To Amend The St. John's Shops Act".
- Page 370 St. John's Shops Act (Committee of the Whole).
- Page 383 Point of Privilege (Hon. J.R. Chalker).
- Page 383 Petitions: Petries and Mount Moriah (Hon. C.H. Ballam); Port Blandford (U. Strickland):
- Pages 384-394 (Inclusive) Legislation, Crown Zellerbach, Second Reading:
- Page 394 Second Reading of Bill "An Act Further To Amend The Judicature Act."
- Page 395 Second Reading of Bill "An Act Further To Amend The District Courts Act":
- Page 395-400 (Inclusive) Second Reading of Bill "An Act To Amend The Fisheries Salt, Sales and Distribution Act 1957."
- Page 400 Second Reading of Bill "An Act Further To Amend The Undeveloped Mineral Areas Act."
- Page 400 Second Reading of Bill "An Act To Amend The Loan And Guarantee Act, 1957."
- Page 402 Petition, Bonavista North (Premier).
- Page 403 Petition, St. Barbe North (Hon. J.R. Chalker).
- Page 404 Petition, Burin (E. Jones).
- Page 405 Petition, Elliston (A. Mifflin)
- Page 405 Petition, James Cove - Harbour Main (M. Whalen).
- Page 405 Mr. Speaker on Petitions.
- Page 406-414 (Inclusive) Crown Zellerbach (Continued - Hon. M.M. Hollett).
- Page 414 Crown Zellerbach (J.D. Higgins).
- Page 416 Crown Zellerbach (A.M. Duffy - G.R. Renouf).
- Page 417 Crown Zellerbach (Hon. P.J. Lewis).
- Page 419 Crown Zellerbach (Premier).
- Page 421 Petition - Seldom (Fogo) (I. Mercer).
- Page 421 Petition - Fleur de Lys (Dr. F.W. Rowe).
- Page 423 Petition - Cormack (J. Forsey).
- Page 425 Petition - Point au Mal (S. Smith).
- Page 425 Ministerial Statement - electricity (Premier).
- Page 427 Legislation - Mortier Bay - Free Port.
- Page 429-443 (Inclusive) Committee of the Whole - Crown Zellerbach.
- Page 443 New legislation - Third Reading: "An Act To Amend The Highways Act;" "An Act Respecting The Payment Of Bounties On The Rebuilding And Repairing Of Fishing And Coasting Vessels;" "An Act Further To Amend The St. John's Shops Act."
- Page 444 Legislation passed in Committee of the Whole:  
"An Act Further To Amend The Health And Public Welfare Act;" "An Act To Amend The Department Of Municipal Affairs And Supply Act", "An Act To Amend The Department of Public Works Act 1957." "An Act Further To Amend The Districts Courts Act."
- Page 444 Committee of the Whole on Bill "An Act Further To Amend The Judicature Act."
- Page 448 City Of St. John's Act Amendment.
- Page 448 Second Reading of a Bill "An Act To Amend The Local Authorities Guaranteed Act, 1957."
- Page 450 Committee of the Whole on Bill "An Act To Amend The Loan And Guarantee Act 1957."
- Page 456 Committee of the Whole on: A Bill "An Act Further To Amend The Education (Teachers' Pensions) Act," on Bill "An Act Respecting Mortier Bay Development Company Limited," on a Bill "An Act To Empower The St. John's Municipal Council To Raise A Loan For Municipal Purposes By The Issue Of Bonds."
- Page 457-462 (Inclusive) Ministerial Statement - Plans for Education - Premier Smallwood.
- Page 463 Petition - Harbour Main (M. Whelan).
- Page 463 Petition - Cannings Cove (Hon. E.S. Spencer).
- Page 464 Varied Legislation - Third Reading.
- Page 464 Mortier Bay legislation.
- Page 465-469 (Inclusive) Second Reading - Gasoline Tax Act.
- Page 471 Royal Assent to legislation passed (26).
- Page 472 Ministerial Statement - Confederation Building (Premier Smallwood).
- Page 473 Petition - Mansfield Point (W. Smallwood).
- Page 473 Petition - Portugal Cove (G. Nightingale).
- Page 473 Petition - Placentia Gut Bridge (Hon. M.M. Hollett).

## HOUSE OF ASSEMBLY PROCEEDINGS

- Page 478 Petition - Indian Island (I. Mercer).  
(Form of Petition debate)
- Page 480 Petition - Howley (J. Forsey)
- Page 482 Ministerial Statement - Parliamentary  
Press Reporting (Premier Smallwood)  
Point of Privilege.
- Page 487-492 (Inclusive) Budget Speech.
- Page 493 Mr. Speaker on press responsibilities.
- Page 493 Petition - White Bay North (C.M. Lane).
- Page 494 Petition - Bonavista South (U. Strick-  
land).
- Page 494 Annual Report - Fisheries Loan Board.
- Page 494 Notice of Loan Resolution.
- Page 496-514 (Inclusive) Second Reading Legisla-  
tion - New Provincial Building.
- Page 514-517 (Inclusive) Resolution - Term 29.
- Page 518-527 (Inclusive) Budget Debate (G.R.  
Renouf).
- Page 527-532 (Inclusive) Budget Debate (Hon.  
F.W. Rowe).
- Page 532 First Reading of a Bill "An Act To Au-  
thorize The Raising Of A Sum Of Money  
By Way Of A Loan On The Credit Of  
The Province."
- Page 532-534 (Inclusive) Committee of the Whole  
on Bill "An Act To Provide For The  
Erection Of A Provincial Government  
Building."
- Page 535 Petition - Hatchet Cove (A. Mifflin).
- Page 535 Hansard when?
- Page 536-540 (Inclusive) Budget Debate (adj)  
(A.M. Duffy)
- Page 540-544 (Inclusive) Budget Debate (Hon.  
M.P. Murray).
- Page 544-548 (Inclusive) Committee of the Whole  
(continued) on a Bill "An Act To Provide  
For The Erection Of A Provincial Gov-  
ernment Building."
- Page 548-556 (Inclusive) Second Reading of a Bill  
"An Act To Authorize The Raising Of A  
Sum Of Money By Way Of A Loan On  
The Credit Of The Province And To  
Repeal Act No. 46 of 1958."
- Page 556 Petition - Burin (E. Jones).
- Page 556 Petition - Goulds - Kilbride (G.R. Re-  
nouf).
- Page 557 Petition - Fogo (I. Mercer).
- Page 557 Well pollution - St. John's North (G.  
Nightingale).
- Page 558 Land reserved - T.C.H. borders.
- Page 558 Police hours of work.
- Page 559-581 (Inclusive) Budget Debate (adj.)  
(Hon. M.M. Hollett).
- Page 572 \$1.2 million not shown in revenue esti-  
mates.
- Page 573 Telegram reporter termed "Literary  
scoundrel".
- Page 581-594 (Inclusive) Budget Debate (adj.)  
(Premier Smallwood).
- Page 594-597 (Inclusive) Budget Debate (adj.)  
(J.D. Higgins).
- Page 597-604 (Inclusive) Committee of Ways and  
Means.
- Page 605 Ministerial Statement - Term 29 (Pre-  
mier).
- Page 605 Petition - Lark Harbour (Hon. C.H. Bal-  
lam).
- Page 605 Petition - Westport, W.B. (Hon. F.W.  
Rowe).
- Page 606 Petition - Bear Cove, W.B. (Hon. F.W.  
Rowe).
- Page 606 Petition - Pacquet - Woodstock, W.B.  
(Hon. F.W. Rowe).
- Page 607 Petition - Island Harbour, Fogo (I.  
Mercer).
- Page 607 Petition - Tilting Harbour, Fogo (I.  
Mercer).
- Page 607 Petition - Bay de Verde (G. Clarke).
- Page 608 Annual Report (1957) Workmen's  
Compensation Board.
- Page 610-612 (Inclusive) Loan Bill
- Page 612-709 (Inclusive) Committee of Supply  
(Estimates).
- Page 709 Business of Session ends.
- Page 710 Royal Assent.
- Page 711 Prorogation.

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District of Ferryland  
District of Fogo  
District of Fortune Bay and Hermitage  
District of Gander  
District of Grand Falls  
District of Green Bay  
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District of Humber West  
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District of St. John's East  
District of St. John's North  
District of St. John's South  
District of St. John's West  
District of St. Mary's  
District of Trinity North  
District of Trinity South  
District of Twillingate  
District of White Bay North  
District of White Bay South





