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SPEAKER: THE HONOURABLE JAMES M. RUSSELL

The House met at 3:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please!

REPORTS OF STANDING AND SPECIAL COMMITTEES:

HON. J.C. CROSBIE (MINISTER OF FINANCE): Mr. Speaker, I would like to table a copy of the accounts of crown corporate agencies, boards authorities and sundry funds administered by the province for 1973.

HON. L.D. BARRY (MINISTER OF MINES AND ENERGY): You caught me off guard when you were passed presenting petitions. So, I wonder if with the leave of the House I might present a petition.

MR. SPEAKER: The honourable minister has leave to present a petition, agreed.

MR. BARRY: Mr. Speaker, this is a petition from the people of Brookside in the district of Placentia West. The prayer of their petition is that they would like to see better telephone services provided to the community of Brookside. They are aware of the fact that this is of course a responsibility of the federal crown corporation, the Canadian National Telecommunications. I would ask that this petition be tabled and referred to the department to which it relates - the only provincial department would be Transportation and Communications - so that we can have representation from our government to the Liberal government in Ottawa to see if we can get the type of modern communication established in Brookside which is something that is no longer a luxury but an essential in this day and age in Newfoundland as in other provinces in Canada.

Mr. Speaker, just recently improved telephone services were carried out as far as Boat Harbour which is only a few miles from Brookside. Because of the failure to extend the new cable as far as Brookside, we still have a situation where people are waiting. They want to get telephones and cannot get telephones installed because the line cannot carry it as I understand the situation. So that I would ask, Mr. Speaker, that this petition be tabled and referred to the department to which it relates.

MR. NEARY: We would like to lend our support on this side of the House to the petition presented by the member for Placentia West on

behalf of his constituents in the Community of Brookside. As the honourable minister pointed out to the House, Sir, the petition is out of order but nevertheless, the tradition of this House, over the past number of years since I have been here anyway, is to allow these petitions to be presented even though they come under federal jurisdiction.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: No. I must say, Sir, I could not help but taking note of what the minister said about presenting this petition, or to his colleague - having it tabled he referred to his colleague so that his colleague could put pressure on the Liberal government in Ottawa. So, the minister must anticipate, Sir, that there is going to be a Liberal government in Ottawa for some time to come. I am inclined to agree with that, Sir. We support the petition.

MR. SPEAKER: It has just been brought to my attention that we have in the galleries from the Harbour Breton Municipal Council, Mayor, John Carter; Deputy Mayor, Mervin Chapman; Councillor, Harold Clark; and town manager, Simeon Flander. On behalf of all members I wish to welcome you gentleman to the galleries today and trust that your visit here is most interesting.

MR. AYLWARD: Mr. Speaker, before you move from presenting petitions, I would like to present a petition on behalf of in excess of 100 fishermen from the Placentia area. The prayer of the petition is that the government conduct a proposed harbour development at Point Verde in Placentia. The purpose of this development would be, Mr. Speaker, to ensure first that the fishermen would have a safe and a nearby harbour to land their fish and also, of course, that it would provide a safe haven for their ships in winter.

On another occasion I brought to the attention of the House and to the attention of a committee the desperate conditions under which the fishermen in the Placentia area operate particularly with respect to safe anchorage of their boats in the winter months. This particular area, Mr. Speaker, contains a large number of fishermen from the islands of Placentia Bay who have settled in Placentia.

They left very, very good harbours and very, very good premises and they now find themselves operating in Jerseyside and Placentia. Because of the Placentia gut and the very, very heavy tide going in and out that gut and because of also the ice conditions which prevail there in the winter it makes it extremely hazardous for the fishermen to anchor their boats in Jerseyside and Placentia.

So, Mr. Speaker, I said, I think a few days ago in this honourable House, that maybe one of these springs we will probably see one of the greatest property damage losses ever experienced by fishermen if something be not done to accommodate the fishermen in and around Placentia. The ice builds up from the southwest and the northwest and if the tide should ever turn or the wind intensify in a certain direction, it is quite possible that practically every boat - there are a lot of long liners in this area - could be destroyed by ice.

The Minister of Fisheries, our own minister, is quite familiar with the matter because I brought it to his attention this spring when several fishermen in the area telegraphed me. Of course we tried to get a federal icebreaker in there but because of the narrow conditions and the tide in that particular area it is just impossible to get the conventional icebreakers to go in and provide the fishermen with any assistance.

Now, Mr. Speaker, the Minister of Fisheries is quite familiar with the problem. I realize that this is a matter, of course, like the previous petition, that has federal connotations as well. I do exhort the minister to give this petition all the support that he can. I ask that it be tabled in the House and referred to the department to which it relates.

MR. WINSOR: Mr. Speaker, we on this side of the House would like to support the petition presented by the honourable member for Placentia East, realizing that of course it probably falls within the jurisdiction of the federal Department of Environment. Nevertheless, I think he has made a good point, to impress upon the honourable Minister of Fisheries, provincial Minister of Fisheries, to use his

influence because, Sir, the fishermen are unable to operate efficiently and get the most production from that area without some safe harbour or safe anchorage for their boats.

Jerseyside and Placentia do not provide that kind of shelter. So, therefore it is very important, if we are to encourage fishermen. It is no use to provide the fishermen with boats unless they have some safe place where they can anchor their boats or moor their boats or tie up their boats during the fishing season and more especially, during the fall of the year when we get high winds and high seas.

So, Mr. Speaker, it is with much pleasure we support the petition.

NOTICE OF MOTION:

MR. MARTIN: Mr. Speaker, under Standing Order 30 and by leave of the House I would like to make a motion in a matter that is in my opinion extremely urgent and pressing at this time. If everything goes as normal today, we will at the end of this sitting day have passed the seventy-five hour mark limiting the time of debates on the estimates.

Now, any institution may make its own rules and abide by them but I think where a matter of public interest is concerned if those rules prove to be unworkable, then we must take steps to change them. In this case, Sir, they are, at least for this sitting period they have been proven to be totally unworkable. We are going to see at the end of seventy-five hours many millions of dollars passed without debate, without any questions whatsoever.

Under the proposed system of committees we would have been able to get through those debates. As it stands there was not time to set up those committees and therefore we do not have time remaining to discuss these millions of dollars. I would like to make the following motion:

WHEREAS the Committee of Supply has been unable to deal with all Department Estimates within the 75 hour time limit;
AND WHEREAS it was not possible to set up the Committee system which would have expedited the debates on these Estimates;

AND WHEREAS it is not in the public interest to pass those remaining Estimates without debate;

NOW THEREFORE BE IT RESOLVED: That Standing Order 116 be temporarily suspended to allow the debate on the Estimates to continue until all Departments have been dealt with.

Sir, I will have to ask leave of the House, if this is going to be dealt with here and now, to deal with it without debate, because otherwise it is going to be placed at the end of the Order Papers.

MR. NEARY: Mr. Speaker, if the member needs a seconder for that motion, I would be very pleased to second the motion.

MR. SPEAKER: The honourable member for Labrador South has made the motion as dealing with the time limit on estimates. It is really a notice of motion. As such I can merely accept it as a notice of motion. It is a private member's motion and would have to be placed on the Order Paper as such unless of course by leave of the House that they want to take a vote on it. I can merely accept it as a private member's notice of motion now.

MR. MARSHALL: I would like to say on it even though it is a bit irregular, Mr. Speaker - the member for Labrador - I do not think we need to get into a debate on it but the honourable member for Labrador South did have a few introductory remarks that I think perhaps ought to be replied to.

Let me say this, that the estimates this year will take a longer period of time than they have at any time since Confederation, with the exception of one year I believe -

AN HONOURABLE MEMBER: Inaudible.

MR. SPEAKER: Order, please!

MR. MARSHALL: I said with leave of the House.

MR. MARTIN: He is debating the motion in question.

AN HONOURABLE MEMBER: The honourable minister does not have leave.

MR. MARSHALL: Well, if I have no leave, Mr. Speaker, this just shows why the government cannot accept it and I will give further explanation outside the House.

MR. SPEAKER: The House did not grant leave so it will be placed on the

Order Paper as a private member's motion.

HON. T.A. HICKMAN (MINISTER OF JUSTICE): Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a bill, "An Act Further To Amend The Grand Falls Hospital Management Act, 1961."

MR. CROSBIE: Mr. Speaker, I give notice that I will on tomorrow ask the House to resolve itself into a Committee of the Whole to consider certain resolutions on the granting of supply to Her Majesty.

I give notice that I will on tomorrow move the House into a Committee of the Whole to consider certain resolutions relating to the raising of monies required for the purchase by the province of BRINCO Limited of all the interests and title of that company in and to Hydro Electric Facilities and Water Rights in Labrador.

ANSWERS TO QUESTIONS FOR WHICH NOTICE HAS BEEN GIVEN:

None.

ORAL QUESTIONS:

MR. MARTIN: Mr. Speaker, in view of the reported financial problems of the St. John's City Council, will the Minister of Municipal Affairs or the Minister of Education care to comment on what adverse effect the establishment of a school tax authority in this area would have on the future collection of revenue by the city council?

MR. MARSHALL: Mr. Speaker, that is calling for an opinion and as such is out of order.

MR. SPEAKER: Well, I do not think the question is one that demands an urgent answer. It could be placed on the Order Paper.

MR. MARTIN: Another question, Mr. Speaker. In view of the fact that the council is having trouble collecting money through taxation, could the Minister of Education indicate whether or not the same thing will exist with respect to the collection of taxes by school tax authority establishments in St. John's?

MR. SPEAKER: That is just maybe almost the same question asked in a slightly different kind of way.

MR. MARTIN: MR. Speaker, could I direct another question to the honourable Minister of Education? When does the Minister of Education intend answering the question from the president of a

branch of the NTA calling for the reopening of the contract negotiations for teachers, for an across the board increase for all teachers? Has the minister received the letter?

HON. G. OTTENHEIMER (MINISTER OF EDUCATION): Mr. Speaker, actually I was out of town on Friday on the West Coast. I have not yet received it which does not mean that it is not in the Department of Education. I have not yet received the letter actually.

MR. MARTIN: A supplementary question, Mr. Speaker, has the minister received any representation along the lines of representation from the president of the NTA on April 10 for a reopening of the contract negotiations for teachers?

MR. CROSBIE: Mr. Speaker, as is already known - it has already been stated in this House - the letter was received from the NTA with respect to suggested reopening of their collective bargaining agreement with the government, particularly with respect to salaries and wages. The House knows the communication was received from the St. John's Fire Fighters Local. As the House, I believe, knows a communication was received from NAPE requesting that all their collective agreements with the government be reopened for the same purpose, in connection with wages and salaries.

As the House already knows, Mr. Speaker, on behalf of the government I have said that this is a matter that will be studied carefully by the government. All the groups that have written have been informed of that. We are studying all the collective agreements in question and we are looking at the matter very carefully. As I have already told the House before, Mr. Speaker, there will not be any hasty decision on this as it is a matter of great seriousness and great import particularly because collective agreements have been entered into with all these groups in good faith.

As I have already told the House before, Mr. Speaker, when the government has made a decision it will be communicated to those groups and to the House if the House be then open. It is very unlikely that there will be any decision made before the month of June.

MR. MARTIN: Mr. Speaker, I was asking the question of the Minister of Education. Has the minister replied to the request of the president of

the NTA in writing with respect to reopening of the -

MR. OTTENHEIMER: It has been answered on behalf of the government along the lines indicated by the Minister of Finance, of which this House is already aware. The House is already aware that the government has received a request from the NTA for reopening of salary negotiations. The government has received requests from other groups, as the Minister of Finance indicated. These groups have been answered by the government along the lines indicated by the Minister of Finance.

MR. MARTIN: What lines, Sir? I mean, there is no answer.

AN HONOURABLE MEMBER: Just sympathetic.

MR. NEARY: Mr. Speaker, I do not know who is responsible for flags on the government side of the House. Will the honourable Premier tell us what that thing is that is flying beneath the Union Jack and the Canadian flag? What is it? Who knows? Does anybody know on the government side?

MR. SPEAKER: Order, please!

MR. NEARY: Does the Minister of Tourism know what that thing is that is flying half mast?

MR. SPEAKER: Order, please!

MR. NEARY: Have we gone into mourning for something or other?

MR. SPEAKER: Order, please!

MR. NEARY: What is it?

MR. SPEAKER: Order, please!

MR. NEARY: Can the minister tell us what it is, Sir?

MR. SPEAKER: The question could be very well placed on the Order Paper.

MR. NEARY: But, Sir, it is flying now. I would like to find out -

MR. SPEAKER: Order, please!

MR. NEARY: The House will be closed before we get the answer.

AN HONOURABLE MEMBER: Name him.

MR. NEARY: Name whom?

AN HONOURABLE MEMBER: Name him.

MR. NEARY: Oh, he is back again. "Bully Boy", "Old Scrooge" is back. "Crusty" is back. Perhaps now, Sir, that the Minister of Mines and Energy is back he could tell us if it is correct that the members of the

Power Commission had been notified that their services are no longer required.

MR. BARRY: Yes, Mr. Speaker, this is correct. The letters have been sent out to the existing members of the Power Commission. All of them I believe except Mr. Reid who will continue naturally in his position as chairman of the Power Commission and by virtue of his office continue as a member of the commission, but the other members have been notified that their services are no longer required as of the end of May. At that time government will be appointing new members to the commission.

There is, under the act, authority to appoint up to seven members. The policy of this government is that the members of the Power Commission will be remunerated on the basis of any other board. It will not be on the basis of the previous administration. They will be remunerated on the basis of any other board, in other words, on a per diem basis depending upon the number of meetings, so much per day.

Legislation is now in the process of being prepared and it is hoped that this legislation will be ready for this session, to restructure the commission into a power corporation to authorize by legislation the creation of a board of directors. I think it is approximately ten directors that are contemplated. Once this legislation - if this legislation be approved by this honourable House, then of course this government will be appointing

a board of directors to provide the proper communication between that crown corporation and government.

MR. NEARY: Mr. Speaker, a supplementary question. Would the minister indicate to the House if it is the intention of the government to reappoint any of the old members of the Power Commission to the new corporation?

MR. BARRY: Mr. Speaker, there is no reason for the honourable member to assume that. This government will be announcing who the new members of the Power Commission will be at the appropriate time.

MR. NEARY: A supplementary question, Sir. Would the minister indicate if any of the members of the Power Commission will qualify for a pension in any way, shape or form or are they just being flung out in the cold?

MR. BARRY: Not to my knowledge do they qualify for a pension, Mr. Speaker. There has been no provision. What has been done in effect is that the existing members have been given a month's notice of their termination and at the end of that time there will be no more further communication as Commissioners of the Power Commission.

MR. NEARY: A supplementary question, Mr. Speaker. Would the minister indicate to the House whether ex-colleague, Mr. William P. Saunders, has been disposed of, for once and for all or is he being transferred to some other government post?

MR. BARRY: Mr. Speaker, that is a stupid, irrelevant, nonsensical question. Mr. Saunders I do not know why the honourable gentleman opposite feels it necessary to attack him, to belittle him, to pick him out any more than Mr. Canning or Mr. Ballam or any other of the members who have ended up in this position because of the action of the honourable gentleman's previous and maybe provincial leader.

MR. NEARY: We did not fire them.

MR. BARRY: I do not think it is a fair question. I do not think that the people of Newfoundland appreciate having individuals reviled by members in this House. Mr. Speaker, that is a question that I do not think I want to answer and I am not going to answer because I do not think it deserves an answer.

MR. NEARY: Well, it took him five minutes, Mr. Speaker, not to answer that question.

MR. BARRY: Inaudible.

MR. NEARY: Mr. Speaker, I wonder if this same minister would care to comment on the Mayor of Gander's comments concerning a pipeline to bring jet fuel into Gander. I would gather from the Mayor's statements that she is not too optimistic about getting jet fuels supplied by pipeline to Gander. Would the minister care to comment on that?

MR. BARRY: Mr. Speaker, I do not have the details of the Mayor's comments. Mayor Newhook I think it is.

MR. NEARY: Right.

MR. BARRY: But I can say that Mayor Newhook as a mayor who is doing her job I think in the way that she feels it should be done and as far as I know is doing a good job. I have not seen anything to indicate the contrary. She would know as will the honourable member opposite and anybody looking at this problem that the question of whether a pipeline goes from the Come-By-Chance Refinery to Gander or from the Come-By-Chance Refinery to St. John's or from the Come-By-Chance Refinery to Marystown depends upon the economics of the situation, it depends upon whether there is a demand, an adequate demand for a sufficient quantity of fuel to justify the cost of putting in a pipeline. It is a pure matter of dollars and cents.

If the honourable gentleman were asking whether this government were concerned in seeing that the Gander Airport is assured of adequate supplies of jet fuel to ensure that there will be continued development of Gander as an International Airport, then I can reaffirm again that we are determined to do everything possible to ensure that Gander Airport has the supplies of jet fuel or any petroleum products for that matter that are necessary to ensure its continued, not just continued viability but continued viability and expansion.

MR. NEARY: Mr. Speaker, seeing that the minister is so talkative today I wonder - a supplementary question - would the minister indicate if the alternatives are being investigated? For instance, bringing the jet fuel

to Gander by rail or by road? Are these possibilities being seriously considered? Especially by rail?

MR. BARRY: Mr. Speaker, I am not quite sure that I follow the honourable gentleman's question. I have no doubt that whoever decides that or whoever ends up making the decision to have jet fuel conveyed from the Come-By-Chance Refinery to the Gander Airport will consider which is the most economical means of doing this.

Now at the present time there are discussions, as I understand it, underway between the management of Gander Airport, between the management of Come-By-Chance Refinery -

MR. NEARY: Shell Oil.

MR. BARRY: And government are keeping a watching brief and have assured all parties of its assistance and of its interest in seeing that these negotiations are carried out satisfactorily, but at this stage this is all that government should be doing. We have a company out there that

is producing a product. It is producing a product that happens to be necessary for Gander because of the type of operation that is carried out at Gander. Now we are going to do everything we can to see that if Gander need supplies of fuel from Come-By-Chance that the supplies come from Come-By-Chance, but at this stage we have not seen anything to indicate that government should step in and take any action other than what has been taken in the past.

MR. NEARY: Mr. Speaker, I wonder if the same minister could inform the House if his colleague, the Minister of Justice, when he was in Ottawa there a couple of weeks ago, attending the Federal/Provincial Energy Conference, and was wined and dined at the Prime Minister's house, if the Minister of Justice who was representing the province agreed with the other provinces in having the price of gasoline and heating oil increased in Atlantic Canada starting this Wednesday?

MR. BARRY: Mr. Speaker, I have answered this question I think in different ways at least fifteen times previously. Our government at the first National Energy Conference went on record and vehemently requested the Liberal Federal Government to roll back petroleum prices

to what they were as of September 1, 1973. At the same time we said that if the Liberal Federal Government were unwilling to go along with this request then we said that the very least they could do was to freeze prices as to the price that they were at the time of the conference, which was I think at the end of January, the first conference.

Now since that time there have been discussions between the Federal Government and other provinces, between the Federal Government and the multi-national oil companies and the Federal Government, the Liberal Federal Government, in its wisdom have decided that it is going to approve of an increase in the price of petroleum products of the order of three point seven cents in Eastern Canada and between nine and ten cents in Western Canada.

Now I heard the shadow leader of the opposition, the temporary leader of the opposition, on the radio today talking about this government taking action to prevent this and stepping in -

MR. NEARY: That is correct.

MR. BARRY: What does the honourable Member for Bell Island think is the role of this government?

MR. NEARY: I am not the government.

MR. BARRY: You see -

MR. NEARY: I am not the government, if I were the government -

MR. BARRY: You see honourable members think that we should go up and we will be in two months anyhow as a party, but does the honourable gentleman think that in the meantime we should go up and start taking over the affairs of the national government and reversing this authorization that they have given to these multi-national companies?

MR. NEARY: All I asked him; if the minister approved it? If the Minister of Justice, his colleague, did he agree with it?

MR. BARRY: The Minister of Justice did not -

MR. NEARY: Well the minister did not come out and say it publicly, whether he disagreed with it.

MR. BARRY: The Minister of Justice did not approve of any price -

MR. NEARY: But he must have -

MR. BARRY: increase.

MR. NEARY: Mr. Speaker, just for the sake of the records, Sir, it was unanimous -

MR. SPEAKER: Order, please!

MR. NEARY: We were told by the Prime Minister of Canada -

MR. SPEAKER: Order, please!

MR. NEARY: It was a unanimous decision.

MR. SPEAKER: Order, please! Order, please!

MR. NEARY: It was a unanimous decision, Sir.

MR. SPEAKER: Order, please!

The honourable Member for Bell Island is completely out of order.

MR. NEARY: Well so is the minister, Sir, for making a false statement in the House because the Prime Minister said it was the unanimous decision, so the minister must have agreed.

AN HON. MEMBER: Almost unanimous.

MR. NEARY: No, he said it was unanimous.

MR. BARRY: Mr. Speaker, the position is, as the honourable gentleman knows, our province reiterated its position as taken at the first National Energy Conference that there should be a price roll back, that if the federal government were not prepared to roll back prices that prices should remain as they were in January. The concensus was and the decision of the federal government were that it were going to permit prices to increase both in Eastern Canada and Western Canada. This province did not approve of that but what could we do about it? It was the decision of the Liberal Federal Government in Ottawa on a national basis and in no way, Mr. Speaker, could we approve of it.

MR. NEARY: Mr. Speaker, a supplementary question: Is the minister aware or is he calling the Prime Minister of Canada a liar? Is the minister aware that the Prime Minister made a statement following that conference that it was the unanimous decision of the provinces that this policy be adopted? Is the minister not aware of that?

MR. BARRY: Mr. Speaker, if the honourable member opposite should have any

quarrel with any statement of the Liberal Prime Minister, the temporary Prime Minister.

MR. NEARY: No it is with his statement I have the quarrel with.

MR. BARRY: I suggest that the honourable member opposite go talk to his colleague in Ottawa.

MR. NEARY: It is his statement that I have the quarrel with, Sir. I wonder now that the minister's administration have their neck in the noose, would the minister inform the House what steps his administration are taking to offset this three or four cents increase in gasoline and heating oil? Does the administration here intend to do anything about it, by dropping the taxes on gasoline and heating oil? I think the Premier wants to answer that question.

AN HON. MEMBER: Inaudible.

MR. NEARY: Pardon?

AN HON. MEMBER: Inaudible.

MR. NEARY: But they have got \$9 million.

MR. W. N. ROWE: Trudeau.

MR. BARRY: Mr. Speaker, if the honourable member opposite think that we are going to have our financial policies dictated by the Federal Government in Ottawa that every time the Federal Government authorizes an increase in prices that we are then going to drop back the amount of tax that is collected when it is desperately needed to provide the services in Newfoundland that people want, I can tell the honourable member opposite; No, we are not going to play that game, but we will continue to do as we have in the past -

MR. NEARY: They are not going to do anything then. What he is telling us he is not going to do anything? I mean why do not his answers be straightforward, be a man, answer it manfashion. They were going to do nothing only let the people suffer that is all. Why does he not just say that.

MR. BARRY: When the honourable member is finished, we are going to continue our representations to -

MR. NEARY: To Ottawa.

MR. BARRY: Liberal Government in Ottawa.

MR. NEARY: Pass the buck.

MR. SPEAKER: Order, please!

MR. BARRY: To try and get them to correct and change their ill-founded and disastrous policies, their failure to have any consideration for the people of Newfoundland or any other province when it comes to trying to control the increases in the cost of living. The energy compotent, Mr. Speaker, of our economy has a very significant effect on the cost of living and we have seen the Liberal Government in Ottawa continue to merrily permit price increases and now we see the honourable members opposite try and cast the blame on this government. Mr. Speaker, we are not going to accept it. We are going to ask the honourable members opposite to go talk to their Liberal colleagues in Ottawa. We know that Mr. Stanfield is already putting them through the test and has started a vigorous campaign to get back some sound fiscal and economic policies in Ottawa. I am sure we are going to see this come about.

MR. NEARY: This is a pass the buck administration.

MR. SPEAKER: Order, please!

MR. NEARY: Pass the buck, Sir, that is all they know how to do.

Would the minister tell us if his administration has yet made up its mind to do the same as they did over in Nova Scotia.

MR. BARRY: What was that?

MR. MARSHALL: On a point of order, Mr. Speaker.

MR. NEARY: What is the point of order?

MR. MARSHALL: Sit down and he will find out. Sit down!

MR. SPEAKER: Order, please!

MR. MARSHALL: Mr. Speaker, this matter I feel has gone on, I think it is quite obvious it has gone on long enough. The question period is now -

AN HON. MEMBER: Inaudible.

MR. MARSHALL: See this is exactly, Mr. Speaker -

AN HON. MEMBER: Inaudible.

MR. SPEAKER: Order, please!

If the honourable members wish to waste time while the member makes his point of order to use up the remaining - we have seven minutes of the question period left that is up to all members of the House.

MR. MARSHALL: Mr. Speaker, I think this has gone on - I would respectfully suggest Your Honour this has gone on quite long enough, this particular subject. The question on this subject is entering into a debate which is not what the question period was intended to be.

MR. NEARY: On a point of order, Sir.

MR. MARSHALL: I am not through with that point of order yet, Mr. Speaker. Sit down!

So, Mr. Speaker, I think that we can dispense now with this line of questioning, I would suggest to Your Honour.

MR. NEARY: Mr. Speaker, to that point of order I would submit, Sir, that is just a matter of opinion. The minister has not right to stand on a point of order when we are putting the heat on ministers on the government side, Sir. We have a half an hour question period, Mr. Speaker, and all of us including the Member for Labrador South can use that half an hour whatever way we see fit and we do not have to be told by Mr. Nastiness how to use that half hour, Sir, we will make good use of it.

HON. MEMBERS: Inaudible.

MR. SPEAKER: Order, please!

Honourable members have now used up some two or three minutes of the question period by debating whether or not it is a point of order.

AN HON. MEMBER: Inaudible.

MR. SPEAKER: Well honourable members have a right to rise on a point of order, if they feel that they have a point of order, and the Chair is obliged perhaps to listen to any argument from the other side of the House as well. So I feel that it is the fault of both sides for wasting time of the question period.

There are only approximately five minutes left in the question period. The point raised by the honourable member was perhaps well taken. There has been a considerable amount of time gone on this one topic and it does appear to be getting into a debate.

MR. NEARY: It is a very important subject, Sir, and perhaps we could, I do not know - does the Member for Labrador South want to ask any questions today?

MR. MARTIN: One.

MR. NEARY: One. Well perhaps I could polish off this matter, Sir, by asking the minister if the government have yet taken a decision to do what they did in Nova Scotia and place the regulation of prices of heating fuel and gasoline under the Board of Commissioners of Public Utilities and force the oil companies to roll back their prices?

MR. ROWE, W.N. Getting advise.

MR. NEARY: He cannot pass that on to Ottawa.

MR. BARRY: Mr. Speaker, when we have a Progressive Conservative Federal Government in Ottawa as we will shortly, we will see there is action being taken, on a national basis I am sure, but in the interim I will repeat as I have said many times before that we are not going to be rushed into expanding a bureaucracy just for the sake of expanding a bureaucracy. That is total nonsense. We do not have a mechanism in government right now that can do that job. We have a Public Utilities Board that is strained to the utmost just in administering the acts for which it is now responsible. If, Mr. Speaker, we make the decision, which will be based on whether it will effectively lead to a reduction in the cost of living to the people of Newfoundland, if we make the decision to set up a price review board this will mean, if we attached it to the Public Utilities Board it will mean an increase in the staff of the Public Utilities Board. We do not intend to burden the Newfoundland taxpayer, Mr. Speaker, with any unnecessary additions to government bureaucracy unless we see that this can effectively reduce the cost of living in Newfoundland, and to date we are not satisfied, Mr. Speaker, that this action can be effective. The fact that they done it in Nova

Scotia or Timbuktu does not mean that we are going to blindly follow along and do it. I know that is the way the honourable members opposite operated when they were in government. If it were done anywhere else therefore we should do it in Newfoundland. We are going to stand on our own two feet and decide ourselves whether it can be of any advantage for us to set up such a control. If we decide that it shall be effective, we will set it up, Mr. Speaker, we have had discussions with the Nova Scotian people, the officials responsible for administering the act in Nova Scotia. The reaction we get from them is that it is too early to say how -

AN HON. MEMBER: Inaudible.

MR. BARRY: It is too early to say how effective this legislation will be, Mr. Speaker. We have a continuing committee of officials keeping on top of the situation in Nova Scotia and reviewing possible legislation that could be introduced in Newfoundland and when we are ready and when we see that we can do something to effectively reduce the cost of living in Newfoundland we will do it but we will not be bulldozed into this by any questions of the honourable members opposite.

AN HON. MEMBER: Hear! Hear!

MR. SPEAKER: Order, please!

The honourable Member for Labrador South.

MR. M. MARTIN: Thank you, Mr. Speaker. I have a question, one question to put to the Hon. Minister of Mines and Energy. Since the province has declared its jurisdiction to issue exploration licences to oil companies on the Continental Shelf, I am wondering if the minister up to this point have made representation directly to the oil companies with regard to voluntary controls on excess profits?

MR. BARRY: Mr. Speaker, I do not understand the question.

MR. MARTIN: Has the minister made direct representation to the oil companies, that is not through the federal government but directed to the oil companies with respect to voluntary controls on excess profits?

MR. BARRY: With respect to voluntary controls on what?

AN HON. MEMBER: Excess profits, high profits.

MR. BARRY: Mr. Speaker, we have had meetings with the executive officers, I guess, of just about every major oil company in Canada over the past months and year. On every occasion, Mr. Speaker, we have made those companies aware of this government's desire to see the cost of petroleum products to the Newfoundland consumer kept at the lowest possible level.

Now when we get into asking these companies to avoid excess profits, are we talking about excess profits in Newfoundland or are we talking about excess profits that they are making in other parts of Canada or are we talking about excess profits they are making through activities in the British Empire, in Asia? Where is the honourable gentleman talking about? I cannot say, Mr. Speaker, that we have spent our time trying to keep Standard Oil of Indiana from making the dividends that it has made in the past year or from increasing the profits made in past years but I can say that we have, with I would say virtually every major oil company in Canada, communicated to them our government's desire to see that the price to the Newfoundland consumer is kept down to the lowest amount possible. Does that answer the question?

MR. DOODY: The thirty minutes allowed for the question period have expired.

MR. NEARY: We do not stop to talk, Sir, at foolish points of order raised -

MR. SPEAKER: Order please!

ORDERS OF THE DAY:

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

MR. CHAIRMAN (MR. STAGG): Order please! Head 1901-01 Municipal Affairs and Housing. We have five hours and thirty-six minutes remaining.

MR. NEARY: When does the gagging ceremony take place? Sir, what time tonight? What time does the guillotine fall down right around our necks?

MR. CHAIRMAN: The honourable member realizes the times which the House meets. We have five hours and thirty-six minutes.

MR. NEARY: Five hours and thirty-six minutes, that means around 10:36 tonight we will all be gagged forever, we will go back to the days when the king used to decide how the money was going to be spent.

Sir, when the committee rose on Friday, I was dealing with the matter of housing. I had just swung into a recommendation that was made by Mr. Leonard Kostaszek. One of the recommendations made in his report of the Commission of Enquiry on the Cost of Home Construction and Housing in this province. Mr. Kostaszek, Sir, had recommended to the legal profession that they appoint a committee to review existing professional fees and that the Newfoundland Law Society appoint a committee to review the existing legal fee schedules and affect possible reductions in the light of present and proposed changes. Any changes to the professional fee schedule should reflect proposed changes in the land title registration system, increasing systemization and standardization of operations, volume of activity.

Now, Sir, I understand that the Law Society did, following the submission of this report, have a little get together, talked matters over, were severely embarrassed because the whole matter had been exposed, had been held up for public scrutiny and that the public were wise to their little game that in Newfoundland people did pay the highest legal fees for real estate transactions. So they decided, Sir, to make some minor changes, very minor changes, Sir. They made changes that you could hardly notice, Mr. Chairman. You could hardly notice them. They came out and made a big public statement, I remember, at the time, about what a wonderful crowd they were. They had gotten together and reviewed the matter of legal fees for real estate transactions and they had made a little percentage point change, nothing that you could notice.

The legal fees for real estate transactions, Mr. Chairman, in this province today are still the highest in Canada. I would like to see old "Mr. Nastiness" himself there get up and raise a point of order on that matter, see who is out of order on that one, with his big plush office down in the Royal Trust Building, looking out over the Narrows.

MR. CHAIRMAN: Order please! I think the honourable member is carrying the

matters a little bit too far, directing his observations of a very personal nature and it has been ranging far away from Head 1901-01 - Municipal Affairs and Housing. The bounds of relevancy have been stretched beyond their limit. I would suggest.

MR. NEARY: Mr. Chairman, I am dealing with the report on housing, Sir, the cost of home construction and housing in this province that was commissioned by the previous administration.

MR. CHAIRMAN: Order please!

MR. NEARY: What is the order?

MR. CHAIRMAN: The honourable member is apparently disputing the ruling of the Chairman. His remarks are directed personally to the honourable the Minister without Portfolio. This I consider to be irrelevant and certainly in poor taste.

MR. NEARY: Well, Mr. Chairman, with all due respect, Sir, that honourable member is one of the members of the Bar Society, as well as Your Honour, that charges these high fees. Your Honour can come to the rescue of his colleague all be likes.

MR. MARSHALL: On a point of order, Mr. Chairman. Mr. Chairman, you have made your ruling. They have got five hours. Are they going to make complete idiots and fools of themselves as they have the past seventy hours. Why do they not get on with it?

MR. NEARY: Mr. Chairman, that is not a point of order, that is just "Mr. Nastiness" trying to show off again, Sir. But, Mr. Chairman, the legal fees for real estate transactions in this province are still too high, Sir. They are the highest in Canada and they add tremendously to the cost of a home. They still range anywhere from \$850 to \$1200, just for a normal transaction, Sir, and that is tacked on to the cost of the home and in some cases you have got two and three lawyers involved. In the case of a new home, the builder has his lawyer, the buyer has his lawyer, if you are dealing with CMHC they have their list of lawyers over there. You do not have any choice, Sir, you have to go and take whoever they tell you. Sir, this is not good enough.

The member for Placentia East can get up and talk about the wonderful

job legal-aid is doing in this province; that is one thing they will not touch. Legal-aid will not handle a real estate transaction, whether the poor old fellow can afford to pay it or not.

Sir, this recommendation and this controversy that raged apparently did not do him any good. They had a little twinge of conscience, just a little bit. They all went down to a City Club somewhere or down at Bally Haly and they all got together and had a little intellectual discussion and said, "Oh boys we are in trouble. Our image is going to be bad," It was just a little twinge of conscience. The rates are still the highest in Canada and something needs to be done about it and I would suggest, Sir, that if the Law Society be not prepared to carry out, fulfill the spirit of the recommendation of that part of the Kostaszek Report, that the government do it for them. Do not fool around with them! Or, Mr. Chairman, do we have too many lawyers in government? Would you not run up against, Your Honour, what I ran up against when I started this controversy, when I nearly got flung out of the House? The Minister of Justice was in the cabinet at the time and the Minister of Finance.

MR. HICKMAN: Was it Les Curtis who wanted to fling you out?

MR. NEARY: No, Sir, it was not Les Curtis who wanted to fling me out. I know who wanted to fling me out, when I was told in no uncertain terms that there were a lot of lawyers sitting on my side of the House and that I had to be careful. I knew who they were.

AN HON. MEMBER: Inaudible.

MR. NEARY: My colleagues are lawyers. They do not practice law. My colleagues do not practice law. They do not go down and charge these exorbitant fees.

MR. WM. ROWE: Right! Right!

MR. NEARY: No, my colleague did not practice law. Your colleague practiced before he got elected to the House; my colleague did not practice.

AN HON. MEMBER: He did so.

MR. NEARY: He certainly did not.

AN HON. MEMBER: Inaudible.

MR. WM. ROWE: That is the same as not practicing.

MR. NEARY: I did not know that. Why does he not tell me these things?

AN HON. MEMBER: Inaudible.

MR. NEARY: Well, Sir, something needs to be done about that and if the Law Society will not do it themselves or if they will not discipline themselves, Sir, then the government is going to have to do it for them. The government is going to have to set the legal fees for real estate transactions in this province. Why not face up to it? Or are there too many lawyers sitting on the government benches, too many rich, well-to-do lawyers?

MR. CROSBIE: What has he got against lawyers?

MR. NEARY: I have got nothing against the lawyers, Mr. Chairman.

AN HON. MEMBER: Inaudible.

MR. NEARY: Do not worry. I have a few friends there. I got a few friends who agree with me, by the way, about these real estate charges.

AN HON. MEMBER: Then I agree with him.

MR. NEARY: Of course. Right! That is what I am talking about. This is not an attack on the lawyers. I have nothing personal against the lawyers. I am talking about the real estate charges, the legal fees for real estate charges in this province. Real estate fees - Mr. Kostaszek deals with that too. Did he take the trouble to read this report?

MR. BARRY: Inaudible.

MR. NEARY: What did I do about it?

MR. CROSBIE: What would he do if it came in two years ago? Three years ago? Four years ago?

MR. NEARY: Old Scrooge finally got back, Sir. I think I dealt with that matter on Friday when I said that this is one instance where we have to share the blame. This report was in two years before we got thrown out. Now that honourable crowd have been in two years and they have not done anything about it. So this is one case, Sir, where we have to share the blame for not implementing any of the recommendations of this report. You cannot be any fairer than that, can you?

MR. CROSBIE: No, that sounds quite accurate.

MR. NEARY: Right! But the Minister of Mines, Sir, wants to know about

the real estate fees. Well, here is what Mr. Kostaszek says;

"A detailed review of real estate fees indicated that fees for real estate transactions were comparable to those in other provinces."

Now what has he got to say about that? "Comparable to those in other provinces." "Actual fees being charges are largely negotiated, an average three point two percent in 1967, which is below the minimum of five percent on the selling value established by the Newfoundland and Labrador Real Estate Board. In this regard we believe that limited potential exists for improvement.

"However, we believe that the overall quality of services rendered to the public requires considerable improvement. Consequently we recommend that tighter legislation should be enacted covering the entry and qualifications of real estate agents. Specifically, existing legislation should be altered to include the following: "

He goes on to make four recommendations about minimum qualifications for obtaining a licence, examination of applicants for licences, a real estate advisory co-ordinator, and training programmes.

Then they go on to talk about the residential construction industry; "Appoint a governmental residential building co-ordinator and adviser." Has that ever been done? No, Sir, it has not. What else is in here? Labour costs, and we are hearing quite a bit about labour costs lately. Material costs, improved marketing and distribution of building materials. "We recommend that the building supply industry undertake a feasibility review to improve existing techniques in marketing building products."

I can tell you, Sir, that is all that is being done about the material costs in this province. I can tell you, Sir, we have an example right now down here on the Torbay Road where a certain individual went down and gobbled up a piece of land down there, a fairly large piece of land down there -

MR. DOODY: Name names.

MR. NEARY: No, I will not name names. Then, Sir, the individuals who bought building lots there had to buy from that same person's company, had to buy their material from that same company.

MR. DOODY: It is a shame. There should be a law.

MR. NEARY: It should be changed?

MR. DOODY: Yes.

MR. NEARY: Ask the Minister of Finance if it should be changed.

MR. DOODY: Did you see his bill?

MR. NEARY: I did not see his bill. It has been happening for the last few years. It happened down at the satellite city. The minister's ex-adviser, Chester Dawe Limited, went down and gobbled up a number of building lots and if you wanted to buy that building lot, the poor individual had to go down and buy his material from Chester Dawe. Now you have to buy it from Leematt Traders, if you go down here.

AN HON. MEMBER: Inaudible.

MR. WM. ROWE: Three years later.

MR. NEARY: Well, Sir, what I would like to know is how that piece of land got left outside Development Control, the land freeze that the Minister of Agriculture imposed? That would be a good question. I would like to get the answer to that one. Here were the boundaries drawn and that particular piece of land left outside.

AN HON. MEMBER: Put it on the Order Paper.

MR. NEARY: No, I raised it in this House before. The ministers have had all kinds of opportunity to reply and they have not. It is time, Sir, we smashed some of these monopolies. These are the kind of things that are driving up the cost of homes in this province, Sir. Let us see what else: The land title registration system should be something that is dear to the Minister of Finance. See what Mr. Kostaszek said about that.

"We recommend that the Government of Newfoundland and Labrador initiate the following improvement programmes to moderate and consolidate the present system of land title registration." Then he goes on. He makes five recommendations. "Retain present system of registry. (2) Improve present operating procedures. (3) Amalgamate title registration and conditional sales. (4) Perform organization study of registry and (5) alter the basis of fee registration."

Nothing ever done about that, Sir, either. This is something that is badly needed in this province and I suggested, Sir, long before Mr. Kostaszek produced his report, that the land title registration in this province be computerized. I have not heard the Minister of Finance nor the Minister of Justice nor whoever's department it comes under say that it could not be done.

MR. CROSBIE: It is underway. It is in the process.

MR. NEARY: It is underway? Well, I am certainly glad to hear that, Sir, it is the first knowledge that I had that it is being done. You can do it over at the Motor Registration Office. You can transfer cars and trucks.

MR. HICKMAN: What we need is a total survey of the province.

MR. NEARY: A total survey of the province? Is it being done?

If it is, who is doing it? The Minister of Justice says it is not being done. The Minister of Finance says it is being done. Who is right?

MR. CROSBIE: It is underway.

MR. NEARY: He means it is on the drawing board? Nothing is being done about it but it is on the drawing board. Well okay, Sir, I hope that I will get the information from the Minister of Municipal Affairs when he -

MR. CROSBIE: He may want to keep it as a surprise.

MR. NEARY: He may want to keep it under wraps like everything else the administration does. After the Hermitage By-election, Sir, they came to the conclusion that they were not publicizing their programmes enough. This was it. Their PR was bad.

AN HON. MEMBER: Inaudible.

MR. NEARY: Oh go ahead, call it! We will see what happens, Sir. I will tell you, they are queued up down in Gander-Twillingate, Sir, we are going to have primaries down there, a run-off, there are so many people who want to offer themselves.

MR. CHAIRMAN: Order please! Honourable gentlemen are fully aware of the rule of relevancy, needless repetition, all these rules which are supposed to assist in encouraging honourable members to debate matters which are relevant. Presently we are supposed to be debating Head 1901-01 and I would

suggest to all honourable members that the matters being discussed are certainly irrelevant to that topic.

MR. NEARY: Your Honour must have had a bad weekend; that is the only conclusion I can come to.

Now, Sir, one of the main recommendations of the Kostaszek Report was on page sixty-six, the implementation of the programme for action.

This is the one, Sir, where they talk about appointing task forces to initiate land bank programmes and undertake feasibility study of land banks, review existing organizational structures, appoint government authority responsible for building co-ordination and advice, appoint a task force to review alternative methods involving mortgage financing; appoint a task force to implement - and before I get off that one, Sir, that certainly is an important one right at the present time.

Then we are told that in certain lending institutions in this province - the banks - that one cannot borrow, there is no mortgage money available right now, mortgage money is dried up. If one should manage to get some mortgage money, one has to pay forty per cent down down payment as opposed to, I think it was ten per cent or five per cent up to a couple of weeks ago. Today another announcement by the Bank of Canada that the interest rate has gone up what? To eight and a quarter, was it today? Or eight and three-quarters? Eight and a quarter per cent. I would like to know what the minister is going to do about this.

Does his government intend to subsidize interest? I will make the minister a promise right now, Sir, that any government that I have the privilege of being a member of will undertake, Mr. Chairman, to bring in a programme -

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: No, Sir. I make that as a commitment, as my own personnel commitment, to subsidize interest payments on mortgages.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: Oh, \$300 a year - talking about peanuts.

AN HONOURABLE MEMBER: Now what did the honourable member do when he was a member of the government?

MR. NEARY: What should happen, Sir - this is one time I agree with the NDP -

AN HONOURABLE MEMBER: The honourable gentleman was a member nine years ago. Remember?

MR. NEARY: Nine years ago. I have been in this House as a Liberal thirteen years. No wonder we are in such financial trouble, the Minister of Finance cannot count.

MR. CROSBIE: Fourteen years ago the honourable member was a very strong NDP.

MR. NEARY: Fourteen years ago? The Minister of Finance still cannot count.

I must say, Mr. Chairman, it is nice to have him back. The House was dead without him. I am glad, Sir, that we can liven her up a bit again. I must say that I missed him. There was nobody I could get a little dart at. The Minister of Industrial Development, the

Minister of Mines and Energy, the Premier, the Minister of Finance, they were all away at the same time. Why, I was heartbroken. I was really depressed. Now, I am glad they are back so we can have some lively and interesting debates in this House and find out what kind of philosophy they have, what their thinking is on these things, Sir.

Well, I am talking about this, Mr. Chairman. Here is what I am talking about. Here is what the NDP is talking about, setting an interest rate of say six per cent. All the buyer of that home would have to pay is six per cent. The Governments of the Provinces and the Government of Canada would jointly subsidize the balance, whatever it is. Let us say that it was twelve per cent interest, the province would pay three, the Government of Canada would pay three and the home owner would pay six. That is pretty fair, Mr. Chairman. Is that not a reasonable proposal, Mr. Chairman?

AN HONOURABLE MEMBER: No.

MR. NEARY: It is not? What is wrong with it?

MR. DOODY: There should be a ceiling on it.

MR. NEARY: Well, Sir, I must say that I would not argue with the minister. If they should want to put a ceiling on it, Sir, he would have my support. For God's sake, do something!

MR. DOODY: Inaudible.

MR. NEARY: No, Mr. Chairman. I would certainly go along with that. Does the minister want to propose that? If the administration should recommend that, they shall have my support. Put a ceiling on it. Of course I would -

MR. DOODY: Come up with a few more like that and I might even join the honourable member.

MR. NEARY: My God, we would have our own little party down here, Sir! We would all shove a few seats down here to the left. We would go off that way, to the left a little bit. Sir, that is good, sound thinking in my opinion.

MR. DOODY: Did the honourable member consider having mortgage interest deductible from income tax?

MR. NEARY: Yes, Sir. I certainly did. Let me see about that now. Now, Sir, about several months ago I first threw out that idea in this province.

MR. DOODY: He probably discovered it was being done.

MR. NEARY: No, I did not discover it was being done. It was an original idea to allow people to deduct for income tax purposes their mortgage payments, the payments on the principal, deduct it from income tax. I think the minister said interest but I would say the principal should be deducted as an income tax exemption.

MR. DOODY: Did the honourable member pass it on to Mr. Turner?

MR. NEARY: No, Sir, but no doubt when Mr. Turner returns, Sir -

Mr. Chairman, these are a few suggestions for the honourable members. Sir, I am sure they are not going to pay any attention to what I am saying; up goes the barbed wire. They ask us. They keep repeating inside and outside the House, why do we not put forward some positive, constructive ideas? Well, I have thrown out about ten in this debate but I doubt if any of them will be acceptable to the administration, Sir.

Then Mr. Kostaszek recommended to appoint a task force to implement proposed changes in land title, registration system and procedures. Perhaps the Minister of Finance can tell us what is being done there.

Five was to appoint an individual to review and submit revised amendments to the existing Real Estate Trading Act. "We recommend that the Government of Newfoundland appoint an individual to review the existing Real Estate Trading Act." Sir, I am not going to bore the House by going on reading all this but there is some darn good stuff in there, Sir. There is some good, good material in there. There are some excellent recommendations in there, Sir.

I think it was my colleague, the Leader of the Opposition, who mentioned the other day about all the money that is being wasted on royal commissions. The reason the money is being wasted, Sir, is that we never pay any attention to the recommendations of these commissions.

AN HONOURABLE MEMBER: We do.

MR. NEARY: No, Sir, they do not. This one has been gathering dust for two years since that administration took office. Look! Has the minister taken the trouble to read that and read this, volumes one and two? The minister has?

AN HONOURABLE MEMBER: Years ago.

MR. NEARY: Years ago? Well, why does the honourable minister not go down to his colleagues in the law society and tell them about it? Perhaps they will read it.

Mr. Chairman, I doubt very much if the administration are interested in positive, constructive ideas. I gave one to the minister on Friday when I was talking about the manufactured homes from Stephenville that can be put on a foundation on the East Coast for \$16,700. Pardon?

MR. DOODY: If the honourable member should sit down I shall ask him.

MR. NEARY: Sir, I have a few more things to talk about yet before I sit down.

I am going to switch my topic for a moment or so, Sir. I am going to talk about the city dump we heard so much about in the last few years. Two years now, Mr. Chairman - the gentleman responsible for housing now can slide out, and they can bring in the man responsible for dumps, whoever that is, the environment gentleman. Two years now, Mr. Chairman, this administration has been studying the city dump, trying to find an alternative to the city dump, trying to find a new location. They have been at it for two years, Sir, and they have not come up with the answer yet.

Well, Sir, I am going to throw this out to the honourable Minister of Municipal Affairs and Housing. Last year when I was down in Boston, I had an opportunity, Sir, to visit a place. When I was driving up to it I thought it was a garage really I was driving up to. The minister knows what I am talking about because the minister sent down one of his officials from the Metropolitan Board to take a look at this place. It is a recycling plant. Recycling, Sir, something new, brand new word. The Minister of Industrial Development knows all

about it.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: Well, Sir, that makes me a walking encyclopedia on it. They wanted to put one over in the minister's district but they objected to it strenuously. They circulated a petition.

Sir, what put it in my mind - it was not my brother-in-law, it was Mr. Ingram, the manager of the Liner Board Mill out in Stephenville. I did not even know what Mr. Ingram was talking about when he said; "Recycled paper would make a big contribution to the liner board mill." I said, "What? Recycled Paper?" I had not even heard of it. What was he talking about? With my curious mind I had to find out what it was. I found out, Sir, that they have a new technique for disposing of garbage. What they do is they recycle it. They set aside the paper, the old paper. You know, Mr. Chairman, in this province there must be tons, hundred of tons of paper disposed of every year, burnt.

Sir, I almost have that much on my desk here every session of the House. It was piled up so high the other day it all fell down on the floor or somebody pushed it down. I had to get the Minister of Public Works to send in a man to clean it up. Thousands and thousands of tons of paper, Sir, are burnt or thrown on the dumps of this province every year. Mr. Ingram was out in Stephenville waiting to get his hands on that paper.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: No, I was just thanking the Minister of Public Works for cleaning up the floor because all the stuff on my desk fell down the other day. A great buddy. Another bag of greens for him this week. Incidentally, if anybody doubts whether or not I walked that fifteen miles, I have a blister on my foot to prove it. There are no refunds, Sir. I made the journey, Sir. Pardon?

AN HONOURABLE MEMBER: It sounds like the honourable member got another blister from the sun.

MR. NEARY: No, Sir, I have a blister right on the - anybody want to see the blister. I would be glad to show it to them.

Sir, recycling is the big thing these days. All the glass is

separated. All the scrap, the metal is all separated, all piled up. The scrap is sold, the paper is sold, the glass is sold and what is left, Sir, the garbage is baled up like bales of hay, baled up very tightly and is taken out every day and a hole dug in the ground and some topsoil put on it and is buried every day. There is no mess, no fuss and no rats, despite what the people down in that area thought about moving the dump down at the old Newfoundland Steel Company. There are no rats. Pardon?

AN HONOURABLE MEMBER: I would not be so sure. There are a few around.

MR. NEARY: The minister would not be so sure. Well, I know there are a couple of rats down in that area. I know one. There is at least one down there, Sir. I do not know whether he helped increase the population down there or not.

Sir, the Minister of Municipal Affairs sent one of his officials from the Metropolitan Board down to take a look at this recycling plant. I think it was the same one that I saw. I was impressed with it, Sir. Why, one could eat off the floor.

AN HONOURABLE MEMBER: Was the honourable member down?

MR. NEARY: No, I did not go down and look at that. I happened to be there.

AN HONOURABLE MEMBER: Was the honourable member a guest of the company?

MR. NEARY: No, Sir, I was guest of Mr. Shaheen - on my way back from New York after being guest of Mr. Shaheen. I said that I just had to find out what recycling was all about because not only do we have a problem, Sir, with our dumps but Mr. Ingram out there is looking for that paper. Now, I am sure the Minister of Finance would be glad to get it for him. As a matter of fact the liner board people were talking about buying - the minister does not like to hear that kind of stuff. There are no dollars and cents flashing in front of him, no cash registers, no - I was going to say something but I will not.

Sir, the liner board people were going to buy a machine themselves for recycling paper but, Mr. Chairman, I do not think that is necessary. I think what the government should do is to assist the city council in setting up this recycling plant here on the Avalon

Peninsula. Not only could it be used for the City of St. John's, Sir. It could be used for the whole of the Metropolitan area, the greater St. John's area, Sir. It could be used down in the Minister of Industrial Development's own district. They are having a problem disposing of their garbage over there.

MR. DOODY: No.

MR. NEARY: They are. I heard complaints, Sir, about the rats and about the paper blowing around.

MR. DOODY: Inaudible.

MR. NEARY: Yes, Sir, they do. That will show them how out of touch that minister is. Paper blowing around, Sir, rats!

MR. DOODY: We got rid of all the garbage after the last election. It is all straightened out now. We solved our problem. (Second part inaudible.)

MR. NEARY: Sir, we ordered that incinerator the honourable member is talking about. We ordered it. There is still a problem, I am told. On windy days they have paper and refuse blowing all over the place. I am told it is true.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: Ah! There is Mrs. Plumptree's buddy. He loves Mrs. Plumptree. He should put on his Bermuda shorts when he is greeting Mrs. Plumptree. If she could only see him, Sir, as I saw him last summer; hairy, boney, calciteridden knees, Mrs. Plumptree would be proud of him. She would lower the cost of living. She would say, "My God! Look at him! He is like a D.P. Let us get the cost of living down quickly and see will we save the poor, old minister. He looks like he is suffering from malnutrition," if she only saw his knees, his boney knees.

Sir, I am very serious about this matter because I think this is the answer, the real answer to the garbage problem in this part of Newfoundland, Sir, and not only here but all over. I would like to know what the minister is going to do about it. I understand that the minister had a report submitted to him by this official when he came back from Massachusetts. I would like to know if the city dump is going to be relocated.

As a matter of fact, Sir, I do not know if we can use the recycling plant where the dump presently exists because I do not believe there is too much topsoil down there.

AN HONOURABLE MEMBER: Bell Island.

MR. NEARY: No, Sir, that would be too expensive, bringing in the cost of the tickle and dropping it down in the mine. We are trying to get oil on Bell Island. We are going to hit oil over there pretty soon. That is right.

Mr. Chairman, I do not think that it is a paying proposition. Maybe I could be wrong. I do not know whether it is a paying proposition or not. I think probably it would have to be a subsidized operation. Maybe the city council would need a grant from the province in order to use this method but if they do, Sir, it is worth considering. It is really worth considering in my opinion. I was really impressed with that whole operation.

One could go in there, Sir, and hardly see a bit of garbage around, little conveyor belts going up in machines, separating the stuff, baling it up, sending it off. It is just as clean as the floor of this House here, Sir, cleaner than my desk or some of the desks in this honourable House. One could eat off the floor. Trucks coming in, covered trucks, bringing the stuff in, stuff being hauled off to the steel plants, hauled off in another direction to the paper mills. Does the honourable minister not believe me?

MR. DOODY: Inaudible.

MR. NEARY: Well, Sir, the minister is an authority on garbage I can tell them that. That is right.

So, it is something, Sir, worth considering. I would like to hear the minister's views on it when he stands to speak.

Now, there is only one other point I want to cover before I take my seat. That is that matter, Sir, of the growing number of Newfoundlanders who buy homes that are poorly constructed. These people, Mr. Chairman, have no recourse in this province against shoddy workmanship. Sit down, "Mr. Nastiness", please! Only one at a time is allowed to speak in this House. Mr. Chairman, other provinces

of Canada have seen the need, Sir, to protect their citizens against being hooked into buying homes that are already beginning to fall apart even before the new owners move in. This is a result, Sir, of federal legislation that was brought in a few weeks ago.

Our own minister here in Newfoundland stood in his place in this honourable House, Sir, when I put a question to him one afternoon during the oral question period and asked the minister if this province intended to go on with the legislation that had just been passed by the Government of Canada, which the provinces could either participate in or not participate in, offering the purchaser of that home a guarantee, the minister said, "Oh, no! We are not going to do that. Workmanship in Newfoundland," he said, "is of such a high quality, there is no need of that. We have good workers here."

I have no doubt about that, Sir. I am not criticizing the workers. Maybe they are driven to it. Maybe they have deadlines to meet. Maybe they have poor material to work with. The minister did not take that into account. The workers, Sir, could be experts - I have no doubt but they are - but when a contractor is putting up a half a dozen or a dozen homes, he probably could not care less most of the time for that

matter how they are slapped together, Sir. He is driving his carpenters and driving his workers and buying the cheapest kind of material, Sir, buying the cheapest kind. I tell you I could take honourable members to some of the apartment buildings around this city, that borrowed the money from CMHC and were suppose to be up to CMHC standards.

AN HON. MEMBER: Inaudible.

MR. NEARY: The poorest quality material that you can get. You do not have to go too far from here either to find it. What happens? What happens when the consumer goes out and buys that home? No fault of the workmen. The roof falls down, the windows are leaking, inferior quality windows. I had an experience with this myself and I know what I am talking about.

I moved into a house over here not too far from here and one night it started to rain, about 2:00 A.M. in the morning; I thought I was over by Niagara Falls.

AN HON. MEMBER: Inaudible.

MR. NEARY: No, Sir, this is a house that I bought, the first house I bought in this city. I thought it was Niagara Falls, Mr. Chairman. I called up the gentleman that I bought the house from, he was also the builder, and after arguing with me and much abuse on the phone and the children had to be rescued from their beds or they would be drowned, I finally got the gentleman over. Do you know what he did, Mr. Chairman? He hauled a ladder out of the back of his pickup and stuck her up against the house and he took an axe and he drove it down and made three or four holes in the roof. I thought he was going to beat the house up. The man was so mad with me and so dirty I thought he was going to beat the place up. I was afraid to go out, afraid he might hit me with the axe. I finally had to get the roofers to come the next day to patch her up. After I argued with him for a few weeks I finally got away without having to pay for it.

AN HON. MEMBER: Inaudible.

MR. NEARY: I do not know. Because he wanted the water to run away I suppose. She was leaking like a basket.

AN HON. MEMBER: Inaudible.

MR. NEARY: No, it had something to do with the eaves. The water apparently - you know. I do not know what it was but it had something to do with the eaves. Anyway he got up and he drove the axe right down through the roof in three or four places.

How many people have had that experience in this province, Mr. Chairman? As I said a few moments ago, a growing number of Newfoundlanders are buying homes that are poorly constructed. Every day that passes we are hearing of cases, Sir. I saw one on CBC Television there about ten days ago about a family that was complaining about this. They had no recourse, no protection whatsoever and yet that minister over there told us a few weeks ago that we did not need that kind of protection in Newfoundland, we did not need the guarantee that the Government of Canada were offering the poor old consumer. I questioned it at the time, Sir, but during the oral question period, as Your Honour knows, the Speaker would shoot you down if you were to start any debate, I could not debate it but I am going to debate it now and I am going to tell that minister that I think he was wrong. I think it was pretty poor judgement on the part of the minister and the administration to say that we do not need protection for the consumer in this province against bulging walls and leaky windows and crooked door frames and leaky basements and all sorts of other problems, Mr. Chairman, that any competent home inspection could turn up. If there were penalties imposed against these people, Sir, they should be eliminated.

So I would suggest to the minister, Mr. Chairman, in conclusion that he better get on the ball and protect our people against this kind of fraud against poor individuals who are buying a home probably for the only time in their lives. It is the biggest investment and they will never make in their lives and they deserve that kind of protection, Sir. I

beg the minister to reconsider his position and the position of his administration on this matter because I think we need a guarantee against poor workmanship. No fault of the workers, Sir, I hope I will not be misunderstood. It is not the fault of the workers. Sometimes there are cases, Mr. Chairman, there are cases when carpenters, so-called carpenters, are employed and they are not carpenters. I know some cases myself. Sir, this matter of housing is a pretty serious matter. So far, Mr. Chairman, so far in this debate and it has been going on now for two or three days, I think it is time well spent. I think probably my colleague for St. Barbe North will have a few more -

MR. F. B. ROWE: No, I could not get any answers.

MR. NEARY: No, could not get any answers. We are finding it very difficult to get the answers, Sir. My colleagues are giving up, getting depressed. They are giving up, Sir. I am not going to give up, I am going to keep prodding, keep ploughing along to see if I can get some answers.

I hope when the minister stands now he will be able to give us some answers because maybe my colleague will take a little encouragement from his remarks, maybe see if we can pry a little information out of him.

MR. EARLE: Mr. Chairman, having listened for the best part of a day and a-half session on this sort of thing I have come to the rapid conclusion that there is no need for the late Premier of the province to come back. We have one developing who is very similar, rants on with a whole lot of stuff which sounds good but when you examine it it is ninety-eight per cent nonsense, the other two per cent doubtful.

Mr. Chairman, I would like to correct a few things which have been said. For instance, on this warranty programme which the Member for Bell Island goes into some pains and some trouble to say that I was opposed to it. Of course, as usual he is misquoting me completely. I did say that caution was needed in approaching a warranty programme because actually our people, the housing people, have attended several

meetings with Ottawa officials, both on the Mainland and here, on this whole subject. It is not something that can be approached casually nor lightly. This was all that I was saying, that we wanted to see that it was a workable programme that could be handled properly and did not just succeed in setting up another bureaucracy that would not work.

Actually the Member for Bell Island said that several provinces had this warranty system. We have checked on this and there is no province that has the warranty system yet. Some of them are examining it but I think about the farthest one ahead is the wealthy Province of Ontario. I believe it is their intention to go it on their own whether the federal government comes in with it or not.

But generally speaking we are as far ahead as any other province in Canada in examining this. We have looked into it in detail. I think that there will be a warranty programme worked out in co-operation with the federal government but they are gradually changing their stride in this matter because they think that it is something which should be handled probably through Consumer Affairs. This is where it stands at the present time.

Now we are watching every step of its development to see just what sort of a programme can be brought up. We will be in a position as quickly as any other province to step right into this warranty programme if a proper system should be worked out.

I was glad that the honourable member said that he was not criticizing local carpenters and local workmen because that in effect was what I said when I issued these few words of caution that in most cases here, with some exceptions but in most cases the workmanship is quite good. There is always a bad apple in every barrel. There are some bad cases which need to be checked up on but in by far the majority of the cases the workmanship is quite as good as you will find in other parts of Canada. I think our carpenters and workmen are able to stand their own against their brothers anywhere on the North American Continent. In fact I think that has been proven quite well by the fact that when they go to the Mainland and go

to work on these jobs they generally prove themselves to be pretty good.

Now on another subject which the honourable member mentioned and that is this question of people buying up parcels of land and then forcing buyers to buy their building supplies from them. We are again ahead of the honourable member on this. His government did not do anything about it for twenty-three years but there is on the Order Paper, Motion No. 10, a piece of legislation, bill No. 77, which takes care of this completely. When that bill comes up you will see we are doing just what the honourable member suggests. So we are ahead of him on that one.

Garbage disposal seems to be a matter very dear to his heart. Actually this garbage question comes under my colleague here, the Minister of the Environment, the Honourable Member for Harbour Main. I could tell the Member for Bell Island that pretty extensive studies have been underway for a couple of years now on the whole question of garbage disposal to the effect that we now have a very -

AN HON. MEMBER: ... Liberal Leadership Convention.

MR. EARLE: Yes, we have a very detailed report on garbage disposal in the St. John's Urban Area. Actually twenty-one sites have been examined for a new garbage dump to take in the whole area. At the moment we are examining this report and will come up with what we hope to be and we know will be the best solution to all of it. But some of the larger centres on the Mainland have not been too successful in their recycling efforts. Recycling has proved not to be the answer in some of these places. It is a pretty expensive process anyhow and I do not know if it is within our economic means to do it here but supposing it is we have to be absolutely sure before we go into it that it is the answer to garbage disposal. We think that possibly other methods might have to be tried rather than recycling, but we are looking at all aspects of it and as I say we will come up with the answer before long.

Actually, just to refer once again to this question of people acquiring land and forcing buyers to buy their materials from them, I would just like to correct one misstatement that the honourable member made. He said, "This happened everywhere". It did not happen in the satellite city, in the Mount Pearl-Newtown. There was nothing of that nature which took place in there. This, of course, is where we control the land and what happens thereafter.

Now on Friday before the honourable member sat down he had a lot to say on what were suppose to be helpful suggestions. They sounded good. They would make quite good headlines in the paper but when you come to examine the suggestions which he made, in essence they were unworkable or if they were workable they would be so astoundingly expensive that most certainly this province could not handle it. I am quite sure the federal government would not be a partner to most of these things.

You know it is rather interesting that when the Trudeau Government fell a few days ago, one of the items which were mentioned in the news report on what they fell on was their failure to cope with the housing situation in Canada. This was mentioned frequently when the discussions on the fall of the government took place. It seems rather ironical that the powerful Liberal Government of Canada with the money that they have at their disposal could not solve the housing problem of Canada and for that reason went down to defeat, that and other reasons, whereas the small and one of the poorer provinces, such as ourselves, is expected by the opposition to be able to handle this problem which has been with us not this year or last year or the last five year but it has been with us in growing crescendo, increasing tempo for the last twenty-five years.

One of the remarks that the honourable Member for Bell Island made the other day was to the effect that these Atlantic built homes would be the answer to a lot of problems. Now I state quite categorically that I am not knocking Atlantic built homes; they are good and well constructed. They are good homes. They are being used in a

number of places around the island, by welfare officers and other people. As a matter of fact the government have been the biggest customer of that organization, by far. The Newfoundland and Labrador Development Corporation has bought in all some 252 of these units, so that we have had pretty good experience with Atlantic Design Homes.

Particularly was this helpful in the time of the Harbour Breton Disaster when we went down there and erected homes at a pretty fast pace to try and take care of some of the casualties that transpired in that particular fatality.

As an indication of price though, this is another question altogether. The honourable member states that these homes can be put down on a foundation for \$16,900. To begin with, he is referring to the smallest type of these homes, which is only 864 square feet, a very small home. The basic price of \$16,900 is only the beginning of the story. When you start to move one of these houses in and set it up of course a basement has to be dug out and made ready for it. There is exterior installations such as walks, steps, driveways, laterals and all this sort of thing that has to go with them. There is the completion of the inside units, including basement stairs, painting, sparkling, connecting of heating, plumbing, electrical. All of these are additional. There is a minimum amount of landscaping but there has to be some, that depend of course on the customer and what he wants. There is the price of a serviced lot which in this area averages around \$7,000. There is a survey and legal and financing charges which normally run to about \$1,000. So that \$16,900 home, which I repeat is the smallest one, by the time it is completed and ready to be occupied -

AN HON. MEMBER: Expired.

MR. EARLE: Expired - is \$32,700 to put down here. That is not a cheap home. We think that we are providing homes for some of the lower income people in row housing. Row housing even today is costing, in St. John's, approximately \$28,000, \$29,000. The latest quotation I had from Corner Brook was \$38,000 for four units in a row.

AN HON. MEMBER: Inaudible.

MR. EARLE: Yes, I am coming to that after. That is all right. I am coming to the leasing question afterwards. All right? But assuming that somebody is going to buy his own land and put it on it, I am giving the price of the whole set up, \$32,000.

Now the larger homes, which are 1,056 square feet and 1,340 square feet, these are the larger units, they would cost another \$2,000 to \$4,000 above that, so you are not getting a particularly cheap home. I also have found, I have been in a number of these homes and I do not know why but there seems to be some resistance to them. I know in welfare officers homes that I have been into, they did not like them at all, for some reason. They could not give very good reasons.

AN HON. MEMBER: Inaudible.

MR. EARLE: Well I was in some they did not love and I was down in Goose Bay and they did not love them, but this is a matter of promotion on the part of the company. If the company can promote their homes and sell them and they are bargains, I would think that there would be a very ready market for them in the light of the present extremely high cost of homes, but for some reason that is not proving to be the case. I do not know why it is but there must be some objection to them.

Now I think possibly I have given some of the answers, that when everything is taken into consideration these are not such terrific cheap homes. They are not so very much below a standard built home.

The honourable member brought up the question of leasing, the leasing of land. You would think that this is the first that we ever heard of leasing of land. During the past six months we have been looking into this whole question very thoroughly indeed. As a matter of fact, at one point in the game the federal government seemed to be very enthusiastic about this idea of leasing land but recently they have cooled off very considerably on it. They do not seem to favour it at all. We are beginning to determine the reasons for it, Ontario went into a modest leasing programme but it is only a fraction of the lands which they control. It is not being done on an arbitrarily large scale. I think that some of the reasons are this, that if you lease land you automatically of course tie up the capital. Now in this province, for

instance if we were to go all out for leasing and I do not see how you could do anything else but go all out, you cannot go part way. To explain that I mean to say; if you went into a place say like Benton or Glenwood or somewhere like that and started to lease land you could not go into one area like that and not make it apply all over. I think you would have the hue and cry from all places if you just went selectively and tried to pick out a few places and do it. The adjoining towns would immediately say, that they are entitled to the same sort of a deal and of course they would insist on leased land.

Well this would cost the government in land tied up which normally they sell and get paid for over a period of years, by leasing it, we would probably have to find approximately \$15 million a year for the land itself, to buy it outright and lease it with a long term return on this. This is approximately how much land we would have out on lease. Fifteen million dollars a year is money which we now use for further building programmes and further land assembly programmes. So we would be cutting back on the capital which we had available for housing generally. Fifteen million dollars may not sound like a lot of money but it is a lot of money in a housing effort and more than we can afford to tie up over long periods of time, and this would go on from year to year so it would not just be \$15 million, the next year it would be \$30 million and

\$45 million and \$60 million tied up over long periods of time. It would I think completely hamstring our land assembly programme.

Another dangerous aspect of this is that if we got into this we would possibly also force all private developers into the same position of having to lease land. They would automatically tie their capital up just as the government does. I think that the end result would be that we would find less and less land being developed rather than more and more. Our primary objective today, as I stated in my comments on the Budget Speech, is that we are trying to acquire a large quantity of land to be able to put on the market to keep down the inordinate and outrageous speculation which is taking in land today.

Now, the way to go at it is certainly not to tie up our capital so that we cannot develop any more land. We need to free up all the capital we can to develop land and try to give it to the customer at the best price we possibly can.

Of course there is the other rather inane suggestion that we give the land away. I think anybody who stops to think that out would realize just how foolish that is. If we had more surplus than we knew what to do with, I suppose we could give land away but no other province has been able to do it. The federal government has not been able to do it and I am quite sure that we cannot afford to do it. We work in partnership with the federal government on a ninety-ten or a seventy-five-twenty-five per cent deal in preparing this land.

If we were to have to finance the whole lot and give it away, I think our housing programme would be very, very small indeed because one can only give away so much and then one comes to an end, one just cannot afford to carry on.

So, all of these suggestions of the honourable member, in my opinion, Mr. Chairman, add up to complete chaos in the building industry if they were to be attempted.

I would like to refer to the Kostaszek Report which he mentions. This Kostaszek Report, which was brought in I think in 1969, has been studied by our housing people. They are very familiar with

it. There is one opening sentence here in the recommendations of the Kostaszek Report which the honourable member read. It is this: I will read from the report. It says, "There is no single over all, simple solution by which to rectify land development problems either here or in any other region in Canada. Many factors, such as demand, ability to purchase, geographic, social and economic conditions will vary from region to region. The requirements in one region may not necessarily coincide with those in another region. Consequently programmes of land development must be flexible to meet the various basic regional requirements."

Furthermore, later on in the report there were several recommendations made. The honourable member asked what we had done about any of them.

"Development of separate programmes for each region based on the following approach: "An increased emphasis on long term land development planning". This is one of Kostaszek's recommendations. This is the emphasis which we have been laying for the past two years on long term land development. The figures given in the Budget Speech this year show just what we are doing and what we are aiming at. This is completely in line with the recommendations of that Kostaszek Report.

"Development of green belts or land banks around urban centers" Exactly what is happening and what we are trying to do. Look at any of these town plans of what we are trying to develop in the areas. The satellite town out here is a perfect example. This has been developed complete with green belts, just as the Kostaszek report suggests.

There is a recommendation here for centralized authority for co-ordinating land development. "Progress should be established by the Newfoundland Government." At the moment we have created a research division in the Newfoundland and Labrador Housing Corporation. All of the items identified under that recommendation are the very things which this research division was set up to handle. They are studying these in detail. Hopefully they will be coming up to me with recommendations on each one of them.

So it is silly and foolish to say that that particular report has been ignored. It certainly has not. The honourable gentleman concerned did a report for us on the reorganization of the Newfoundland and Labrador Housing Corporation, in fact the whole housing set up in Newfoundland, including the Corner Brook Housing Corporation, the St. John's Housing Corporation, the Metro Board and the whole thing. It was a very, very involved report. In fact it was so involved that we decided that it was premature.

There was another one done for the Newfoundland and Labrador Corporation by a firm called Eric Currie. That was a much more precise and sensible report in our opinion which does lend itself to the reorganization of the Newfoundland and Labrador Housing Corporation. At present that body is reorganizing itself along the lines suggested in that report. I think time will prove that that will develop a very good pattern for that organization.

There were many other things mentioned which I cannot recall at the moment here. On Friday I think I dealt with the major ones but there was one point made - I think this one was made by the honourable Leader of the Opposition in some remarks he made concerning the advisability of getting at our housing stock to find out what housing stock we had in Newfoundland. It was his suggestion that a body of memorial students should be sent out to tabulate and to do all of this and let us know where we stood. Frankly, I think it would be a complete waste of time.

The Newfoundland and Labrador Housing Corporation has at its disposal now more information than we can possibly digest on the housing situation in Newfoundland. In fact we could use probably five to ten times the money that will be available to us for many years to try to take care of the housing situation. To send a group of students out to do this kind of a job would just be an exercise in futility. As a matter of fact it would be worst than that because housing is a pretty scientific sort of game. One cannot just take a student out of a course in university and send him out. He cannot tabulate housing like rows of pork and beans or cans of peas

or something. He can say there are so many houses in a place and there they are.

But there is so much to be known about a house; whether it is capable of repair. Can it be economically repaired? What state is it in? All this sort of thing. It is not just a simple job for a student to come out of college and go and examine a house. I do not think we would get a worthwhile report by doing it that way.

Actually here again our research division in the Newfoundland and Labrador Housing Corporation, which will consist of people experienced in housing, that know the quality of housing and know all about them, these are the people who will assess the housing situation in Newfoundland or what we require. I am quite confident that the information and recommendations that I will get from these people will be far more valid and of far more value than would come from any group of students who are casually sent out in the country just to tabulate houses.

So, Mr. Chairman, these are my few remarks on these particular items. Now, I am prepared to answer any other items as we go through my estimates here. If there be anything that I missed, I shall be happy to try to answer it.

MR. F. ROWE: Mr. Chairman, I spent the best part of an hour on Friday morning, from 12:00 to 1:00 o'clock asking a great number of questions relating to the minister's department. I apologize to the committee for not being here in the afternoon to listen to the answers to some of these questions.

AN HONOURABLE MEMBER: There were no answers.

MR. F. ROWE: There were no answers? Well, Mr. Chairman, I will not waste the time of the committee in rephrasing or again asking these particular questions. However, there are a couple of questions that I did ask him. If the minister did in fact answer them, I shall accept his word and read it in the verbatim reports of the House of Assembly.

I would like to return to this development control division of the Department of Municipal Affairs and Housing and ask the minister

what improvements have been made with respect to the administration of that particular division and what improvements have been made with respect to granting more manpower to the development control division and getting the people, the personnel of the development control division into the field and spread more throughout the province and cutting down on the size of the jurisdiction under any particular development control division such as the one on the West Coast that covers from Port aux Basques to Bay Verte right up to St. Anthony?

Now, if the minister should have answered that question, I shall await the report of the verbatim report and I shall read it but if he has not answered that question specifically, I should appreciate an indication of the improvements that we can expect within the development control division.

The other question that I asked that I feel I should relate to once again is this whole business of awaiting of this Royal Commission Report on Regional Government because communities in rural Newfoundland are in a complete state of chaos with respect to making representation for the purpose of getting water systems or water supply systems into their communities. They are in a complete state of chaos with respect to building in these particular communities. They are in a state of chaos with respect to what they should do in order to get summer and/or winter maintenance of their roads.

The Rural Development Associations in these areas are doing a fine job now, I feel, in trying to get the various communities under their particular jurisdictions to work together. However, confusion still does exist. I think something should be done immediately to try to get some form of regional government in the various sectors of our province, in rural Newfoundland. If we continue on with the situation that we have at the present time, these communities shall continue to fall far behind the larger incorporated communities that we do have in the province. I am thinking specifically - I could use many examples from my own district where we have thirty communities with only three incorporated. The other twenty-seven are unincorporated and are somewhat directionless and guardless with respect to getting government

funds.

The last point, Mr. Chairman, I would like to - a little bit of order in the committee or out in the corridors, Mr. Chairman. There is an awful racket coming from that side. Thank you very much!

The last point I would like to ask or make, Mr. Chairman, is this whole business of water services in unincorporated communities. Now, I note that the vote this year for community water services - presumably this is for unincorporated communities - comes to a total of \$600,000.

Now, in my own district where there are approximately at least twenty-two requests for water supply systems, I have been provided with a list of communities that have had the final design completed for the installation of these water supply systems. This total comes to \$304,000, closer to \$305,000 which is more than half of the total vote for community water services in unincorporated communities in Newfoundland and Labrador.

Would the minister be prepared to table or indicate to this committee, Mr. Chairman, the total list of unincorporated communities in this province for which preliminary designs have been completed? And give the committee some indication of the total estimate, the requirement estimate, if we can put it that way, for the installation of water supply systems in the unincorporated communities of Newfoundland and Labrador? Did the minister get the exact nature of my question, Mr. Chairman? Is the minister prepared to table a list of all the communities in this province for which preliminary and final designs have been done? Could the minister give the total cost estimate for the communities within the province and give us some indication of the total amount of money required compared to the amount of money that is available?

Because, Mr. Chairman, I was kind of concerned when I was asked to list off for the Department of Municipal Affairs and Housing a priority list for the communities of my district that require water. As I mentioned on Friday, there are fourteen communities here for which final designs have been completed. Every community indicated there needs water. The same types of people live in these communities and water is water. There is no way under the sun, Mr. Chairman, that I

can establish any criteria that I can use to indicate to the minister's department what ones of these communities have a higher priority over others for the supply of water.

I do not have the facilities of the Department of Municipal Affairs and Housing with me. How am I supposed to be able to indicate to the minister what community requires water more than another? Therefore, I put this question to the minister: What criteria does the minister or his department or the officials of this department intend to use? What criteria or what rationale does the department intend to use in order to designate which communities in this province will receive money for the purpose of the installation of water supply systems in these unincorporated communities? Or does the minister have enough money voted to take care of all these particular needs?

I feel that this is a very important question. I find it very difficult to believe that in one of the smallest districts in this province the preliminary cost estimate for the installation of water systems that have the design completed is over half of the total amount voted for the whole province. If this be characteristic of the other rural communities or districts of this province, I would suggest that we shall have to wait a great many more years before we see the installation of these water systems in these rural communities.

I cannot help but trace back to the great programme that was started under the Department of Community and Social Development back in the declining years of the Liberal Administration, when a great programme of at least the provision of money was provided for the installation of such water services. I conceded to the minister and I am fair enough to concede this, that I think it partially fell down because of the supervision at the local level. Probably the department could take some responsibility for not insuring that the proper supervisory methods were used during the installation of these water systems.

As a matter of fact, Mr. Chairman, my opponent in the last election in St. Barbe North was one of the very individuals who took such great pride in administering the installation of the water supply

systems in the district. At the time of the campaign they were frozen solid and they have ceased to operate and function since that time. So, we have had a great expenditure of money. We have had a start. We have had to wait two years now before we have had sizable votes in this particular area. I would like for the minister to indicate the total preliminary cost of the supply of water systems in all the communities, the unincorporated communities in this province and give us some indication of what the need is and how it compared with the amount that the minister's department has voted under community water services.

MR. EARLE: Mr. Chairman, there are a number of questions there. I will deal with the last one first, the water services in small communities. I have a detailed list here, consisting of six or eight pages, of places where either a request has been made or work has been done. For instance the honourable member who asked the question, in his district, St. Barbe North, there have been systems, I think in Anchor Point, Black Duck Cove, Blue Cove, Bird Cove, Big Bay and St. Barbe, Plum Point, Pond Cove, Pigeon Cove. There have been requests from Wild Bight, Bear Cove, Barr'd Harbour, Savage Cove, Norman's Cove, Pine Cove, Caster River South, Green Island Cove, Caster River North, Ferolle Harbour, Forresters Point, Green Island Brook, Lower Cove, Shaol Cove East, Eddies Cove East.

Now, that is a pretty good example of the sort of thing we have from many districts. We have a great list of applications. I think if the honourable member want an accurate costing on this, he should place the question on the Order Paper because it will take us some time to get the whole thing. I have not got the costing on all this before me today because I suppose many of them quite possibly have not even been costed here.

AN HONOURABLE MEMBER: Inaudible.

MR. EARLE: Well, we cannot give an accurate cost on many of these applications where the costing has not been worked out,

it would be impossible but I would say in a general way that it would be a pretty accurate comparison with the overall programme of water and sewer throughout the island. I said the other day in my opening remarks that a year ago this was estimated to cost \$250 million to be able to do all the places that we wanted to do and should do. That is probably nearer \$300 million today at today's inflated costs. I should think the small water systems would be in proportion to that and it might run somewhere up to \$100 million if we were to do them all.

Now the total amount that we should, if we had the money and the engineering people available this year what we could do on the most pressing cases in water and sewer, apart from the small systems, would total something over \$30 million. We are not going to be able to do anything like that and similarly we are not going to be able to reach, only a percentage of the small water systems for which we have applications. I do not know at this stage just what the percentage will be but it will only be a proportion of them.

I do not know what the point of the question is really because it is just as well to ask for the details and costing of all the water systems in all the province including the large ones. It would probably take you a year to figure out the accurate costing on all of these, to get down to a proper figure. By the time you got around to doing them the price would have doubled. This would be the same thing that will apply on these smaller systems; by the time any government can get around to doing them the price may have doubled or tripled. So present figures are not of any great value in something like that.

Now to come back to the honourable member's remarks on the services within the department and spreading regional government: This is our objective. I stated the other day that we now have two regional offices established, one in Corner Brook and one in Gander. We have the directors appointed for these and they will have seven or eight on staff in each place. This is just a beginning on spreading the regional control of all functions

of a department including development control throughout the province. We have to pick up the staff. We have a certain number authorized now but not sufficient to do a thorough job, but hopefully we will increase. We have made quite a good start in getting authorization for staff this year and these will gradually spread out into the province and actually we will be able to do a better job.

So I think the whole idea of regional government is beginning to take shape. Actually we are not waiting for the report of the Whelan Royal Commission. I said the other day I was disappointed that we had not yet received this and we are not going to receive it probably until the middle of June. But we have taken the initial steps ourselves in setting up these regional offices and we intend to expand these. I expect that will be one of the major recommendations of the Whelan Report.

So hopefully we will grow but we cannot accomplish something like this overnight. There is no way we can do it. To begin with the qualified people are not available. We will get what we can and start up with what we can. This is the function of our department which will grow, I think fairly rapidly.

MR. CHAIRMAN (DUNPHY): Shall 1901 carry?

MR. F. B. ROWE: I am sorry to have to reask the question but the minister did miss the point of my last question entirely. I did not ask the minister for a cost estimate of supplying water systems to every unincorporated community or every incorporated community in Newfoundland. What I asked the minister was for a preliminary cost estimate for the unincorporated communities in Newfoundland for which preliminary or final designs have been completed by the minister's department. Now I find it remarkably coincidental that the minister was able to run right through every community of my district - just happened to run through that list which I happen to have here in front of me at the present time.

AN HON. MEMBER: Inaudible.

MR. ROWE, F. B. Right. And presumably the minister must have the same

information on the other districts and presumably the minister must have the total cost, preliminary cost estimate for these particular water systems. This was the simple question that I was asking the minister because, Mr. Chairman, the Committee wants to know and the people of Newfoundland want to know what the need is, which the minister said he could not indicate. It is probably up in the order of \$30 million or \$40 million but the Committee certainly wants to know what the total preliminary cost estimate is for the designs that have been completed, in order that we can get some indication of how far the minister's department is going toward installing these water lines compared with the number that have had a cost estimate established for them.

So this is all that I am asking the honourable minister. What is the total preliminary cost estimate for the preliminary designs throughout the province?

MR. EARLE: There are a great many here that have not been costed but the one on which preliminary design have been done, I am told it costs approximately \$20 million.

AN HON. MEMBER: Inaudible.

MR. EARLE: Well here it is, the \$600,000 may look pitiful but it was \$300,000 two years ago, it was \$435,000 last year, \$600,000 this year. So to do a little bit of arithmetic, I think by the year 2050 we will be up somewhere near what we need.

MR. CHAIRMAN (DUNPHY): Shall 1901-01 carry?

MR. M. MARTIN: Because the time is getting short, I am not going to elaborate on these questions and comments, I will just run through them quickly to see if the minister would like to give us a few replies on them.

First of all, I would like to say a few words in support of the comments made and the request made by the honourable Member for Labrador West as we closed off last week, when he made a plea for government help in getting housing in his district. I may say, Mr. Chairman, that this, I think as he suggested, affects every district of this province. I know

of several incidents in my own district where people had gone up to work in Labrador West and had to return because they could not find suitable housing. Now I think it would be a good investment if government were to get into this kind of thing because by allowing people to go and take up employment there, thereby taking them off the welfare and unemployment insurance roles, it is an easing of the burden on the public purse anyway.

Dealing with administration; I would like to know with regard to the regional offices whether or not the field staff there have any authority or whether they are just simply channels of communication because decentralization of government certainly does not work unless those offices decentralize, have officials with authority to act rather than just pass information back and forth between the people in the communities and the department.

In that respect too, I would like to say that far too little visiting is being done by departmental officials, certainly to my district. A large part of the problem is because they are afraid to be caught overnight in a Labrador Coastal community where conditions are so primitive that they might not have the same kind of efficiency that they have at home. We are certainly not being represented on the coast.

I would like to know what the government's policy is toward housing in rural areas, whether or not it is being promoted or whether it is simply there as a programme that people have to search out and try to make applications for as best they can.

With reference to the recently announced federal programme on Rural and Native Housing, I would like to point out to the minister that preliminary surveys indicate on the Coast of Labrador a need for approximately 3,000 units. Now this is just a preliminary survey. This is being held up because the federal government cannot act until representation is made by the province. I did find out also that in British Columbia 7,000 units have already been authorized, in Alberta 5,000 units. There is a chance that we might get some assistance from

the federal government if the provincial government were to act in this respect.

One comment on housing in the north, perhaps this is true of all rural areas but I certainly know it to be true in my district. It is an interesting fact that when government goes in to build houses there is a great difference between the housing that is provided for officials of government and those that are provided for common citizens, for instance, houses that are provided for say welfare recipients. Perhaps I am speaking outside of the minister's jurisdiction, maybe this should be directed towards Public Works but I will mention it anyway. Oftentimes houses built for these people are built without foundations, in fact, there are no barriers underneath the house to prevent the wind blowing up around. They are not built with any bathrooms, in many cases not even space made for bathrooms. On the other hand houses built for government officials are done with water supplies and septic tanks and the whole bit. There is a great area of discrimination there. I think somebody should take hold of it very soon.

Local government - again I would like to know what the policy is toward local government administration. Whether or not the department is actively promoting the establishment of local government or if it is in fact discouraging it as we have reason to suspect in certain cases, particularly with those communities with a very small and stable population. Is there a minimum number of population beyond which or lower than which the government will not consider incorporating? Because if this be the case then it is again discrimination. There are certain communities in my district which are very, very small, which have no hope of having a significant increase in population in the near future but are nevertheless permanent.

AN HON. MEMBER: Black Tickle.

MR. MARTIN: Black Tickle for one, Rigolet, Paradise River.

Now a lot of the reason why we have problems in communities, with regard to servicing roads, water lines and this kind of thing, is because in the initial stage there has been no planning and growth has gotten out

of hand and when it comes time to put in water lines or roads then instead of having to put in a-half a mile to service twenty-five or thirty or forty or fifty houses, you find you have to go seven or eight miles. I believe if local government were encouraged at the early stages and if all the assistance were given to local communities to do adequate municipal planning that a lot of money could be saved in the future.

On water - the honourable Member for Bell Island mentioned delivery of water by water tank is not good enough. I agree but, Sir, even the water delivery by water tank would be perfectly good enough for us in many, many communities, most of the communities in my district. We had a request last year for a water delivery vehicle for the Community of Cartwright. The decision was finally put off until navigation closed at which time it was too late to do anything about it. I could elaborate on that but there is no point at the moment I suppose.

There were a number of water lines attempted, especially in the Straits Area. I will agree with the minister when he says this money was largely wasted in an attempt to win an election. Nevertheless if something be not done soon to upgrade those systems, that money that was spent initially will be wasted because these water lines are breaking down, deteriorating to the point that maintenance has to be done immediately or the whole system will be lost, therefore, the money that was initially spent on it would have been wasted.

Finally I would like the minister to make a definitive statement on exactly what his position is regarding surveys that have been done by the medical health authorities in those communities in which they have declared the water to be unfit for human consumption. There are many, many of these communities along the Labrador Coast and it is a miracle that many of them have not been wiped out by some kind of an epidemic. If the cholera bug ever got loose on the coast there would not be time to save anything.

There have been a number of medical health surveys run on the water supplies there and repeatedly the water has been turned down,

unfit for human consumption. I would like for the minister to tell us how he can justify continuing to refuse to spent money for even a water tank delivery system when the medical authorities have said that these water supplies are unsafe.

For the moment that is all I have, Mr. Chairman.

MR. EARLE: Mr. Chairman, concerning Labrador West, I am very glad to report that in line with my colleague, the minister's remarks on Labrador West, we have had meetings recently with both the companies and the councils down there. I have had officials in Labrador West looking into the housing situation down there. I understand that the Iron Ore Company is developing a large trailer lot in Labrador City. We are looking at a parcel of land in Wabush where we hope to develop. Active negotiations are going on at the present time and if we can get the thing underway fast enough this season, which is extremely doubtful - by the time all of the engineering and everything else is done, I do not think that we will be in a position to start any building this fall but we may. The objective is to try to but I am not sure if we shall be ready.

I am told that in that particular area there is a need at least of 1,500 houses in the next three years. We are going to try and do our utmost to meet it but we are going to be pretty late this year and I do not know if we will be able to get any actually under construction, but our objective is to try and do something.

As far as the authority of the regional offices is concerned, the people that we appoint as directors there will be given authority to handle local problems within their area that do not need cabinet authority or ministerial authority. If it be something of a nature that they can deal with they shall be given full authority to deal with it. Unless it be of some serious nature which should be sent to cabinet or should be approved by the minister, in which case, of course, it shall have to come to me or to the cabinet; but they would be comparatively serious matters or matters involving a large expenditure of money. But the normal district things, we are hoping that they will be able to look after them in contact with the local councils and so on.

We anticipate that this will be quite a help to the councils because many of the delegations who come in to see me they are not always on monetary problems, they are problems of assistance and how to handle their own affairs. Really I think that these directors will be able to guide them and help them a great deal. This is one of the prime functions, I think, that this regional office will have.

As far as housing in rural areas and what we are trying to do to promote it: There have been a succession of seminars lately in all parts of the province and we are spreading these gradually, in co-operation with CMHC, to try and inform people everywhere of the different programmes available to them, including our own small loans programme and all the programmes of which they can avail under the CMHC. It is a pretty complicated business. There are a lot of different things which people can take advantage of but to try and explain to them how to go at it and so on, it is a little confusing.

In addition to that I expect later on in my estimates there will be a snarky question asked as to why we are spending \$14,000 on the Confederation display. Well actually this year what we are doing, we are sending a display van around the province, to I think twenty-eight or thirty communities, central communities, depicting what this department is doing not only in municipal affairs but in housing, try through that van to explain some of our programmes, to try and get across to the people what this department has to offer. This is what we are using our money for this year.

Native housing is something which was very, very dear to Mr. Basford's heart and he was coming down to discuss this with me but I do not know what is going to happen now, I imagine that is off until after the election. I have not heard anything from him recently. We had some preliminary discussions on it but we had not reached any conclusion, so I suspect that is going to have to wait until after the federal election.

As far as encouraging or discouraging local government, we are not discouraging the setting up of local government. What we did actually, we have discouraged or soft-peddled local improvement districts

because we feel these are the least democratic form of local government. Town councils and community councils, we are accepting applications for these and we are putting through quite a number. I gave a list the other day where, I think, there were twenty-eight of these had gone through in the past year or so. We are not discouraging them. The only thing is that we do use a certain amount of caution in places where the population is very small; Usually it falls around 300 of a population. If it be anything less than 300 in population we generally feel

it is most unlikely that it will work in any satisfactory way. We examined the local situation on each of these applicants. We sent people to them to discuss it with the population, and if we think it has a reasonable chance of success we will approve it. But there are many cases, which is quite obvious, where it would not be a success. We think it is a waste of time to go ahead and encourage local government on that level.

Delivery of water by water truck: This usually happens when some place gets completely frozen up. We have tried it in a number of places by giving special grants to the municipality or the council to deliver water by truck, and in some cases they carry this right on through the season. Under their grants if they wish to use part of their money for the supply of water to homes, that is up to them. The council is quite at liberty to do so. We have made some special grants available for that purpose.

Cartwright, I understand the problem down there was a technical one. They were late in starting last year and for some technical reasons the thing had to be abandoned at the late date. I assume that it will get underway again. I do not know just what the problems are. I will have to check that out.

Now I think the quality of housing, as compared with what the government does for its own people as compared to houses built for other people, I do not know that I can say very much about that. In the construction of houses generally it is under Public Works for that type of thing and perhaps they do build a bit better house for a civil servant than they would build for another person. Generally when a person comes looking to us for assistance in housing, they look at it to see what they can afford and how much they can do themselves. Under our small loans programme, for instance, we encourage persons to contribute their own labour and what materials they can and anything else. We try to keep the standard of the house within their means. There must be certain minimum building standards below which we cannot go but we try to get a house for a person at the cheapest possible cost which will be satisfactory to his needs. Therefore, it is difficult to compare houses which are built for government

officials with houses which are built otherwise. Sometimes it is at the discretion of the person building the house.

I think that is about all the questions that were asked.

MR. WILSON: Mr. Chairman, while we are speaking on housing; seeing that we have heard so much from the honourable member for Bell Island about housing and I happen to be tangled up in that trade, I think there is a lot of this misleading as far as imported houses are concerned.

Why it is misleading is that if not all the facts are true, as the fellow said, You will buy a pig in the bag. One thing I say -

MR. NEARY: Point of order, Mr. Chairman, are these statements that the honourable member just made, Sir, are they parliamentary? "Misleading" and "Untrue", Sir? I would like to have a ruling from Your Honour because Your Honour has ruled him out of order in this honourable committee on a number of occasions, Sir, I would like for the member to retract what he just said, Sir, because I did not make any misleading statements or untrue statements in this House and it is unparliamentary for the member to say that I did, Sir.

MR. WILSON: Well, the honourable member for Bell Island -

MR. NEARY: Sit down while I am making a point of order. Sit down in your seat. Learn the rules of the House.

MR. CHAIRMAN: Order please! I do not think there were any remarks in there or any remarks of a prefacing nature by the member for Port de Grave which were unparliamentary. He may have said that the honourable member was misleading, but an unparliamentary phrase is "To deliberately mislead."

MR. WILSON: The reason why I say that is that the cost of the house is put there; it tells you the cost of it. When you get the house in, by the time you get it erected and get the needs done to put the house there, it is going to cost you up in the \$20,000 bracket.

MR. NEARY: But the member agreed with me the other day.

MR. WILSON: Yes, but not on bringing in houses from the Mainland. You can build them cheaper here.

MR. MARSHALL: The honourable member for Port de Grave is making good points.

The honourable member for Bell Island should keep quite and hold his tongue and let the honourable member make the points he is making.

MR. NEARY: Sit down.

MR. EVANS: Talking about a man, what you would not be in ten years. You could not understand that, could you? The scum of you -

MR. NEARY: On a point of order, Your Honour heard that remark and I would submit to Your Honour that the remark from the burn from Burgeo is unparliamentary, Sir, and I ask Your Honour to ask the member to retract it.

MR. EVANS: The reject from Robin Hood Bay.

MR. CHAIRMAN: Order please! Order please! I must confess that the member for Burgeo LaPoile does not appear to be in good voice today and he may have uttered a phrase that was not parliamentary. The exact nature of it escaped me, I was listening to two other honourable members, one of whom has the floor, attempting to speak, as is his right and another member to my right who was interjecting comments as is not his right. I would suggest that all honourable members observe the ordinary rule of parliamentary procedure and common courtesy which is that an honourable member speaking has the right to be heard in silence and if he is to be interrupted, he is to be interrupted on a procedural point only.

MR. NEARY: That is not enough, Your Honour. The member for Burgeo, Sir, used the word "scum" in referring to a member of the opposite side of the House, Sir, and I ask Your Honour to ask the member to retract it, Sir. Otherwise we may as well be running a tavern here, a bistro of some kind.

MR. EVANS: Inaudible.

MR. NEARY: No, Sir, I ask Your Honour to ask the member to retract that statement, Sir, otherwise we may as well turn it into a beer garden.

AN HON. MEMBER: Is this an allegation?

MR. NEARY: I am on a point of order and I am asking Your Honour to ask the member for Burgeo LaPoile -

MR. MARSHALL: Sit down.

MR. NEARY: Listen Froggy, just keep quiet for a minute there, Froggy! I am asking Your Honour to ask that member to retract his statement, Sir. He referred to a member on this side of the House as scum and that, in my opinion, is unparliamentary.

MR. MARSHALL: Mr. Chairman, you have already dealt with that. The Chair did not hear any such words and they cannot be put into the mouth of an honourable member from the mouth of another honourable member.

MR. WM. ROWE: On that point of order, Sir, I was outside the House and heard it clearly over the P.A. system. The honourable member for Burgeo calling, presumably the honourable member for Bell Island, "scum" and Sir, Your Honour has ruled. We have no choice but to appeal Your Honour's ruling.

MR. CHAIRMAN: Is the honourable member appealing my ruling?

MR. WM. ROWE: Yes, Your Honour, I am appealing your ruling, Your Honour. Your Honour's ruling, as I understand it, is that no unparliamentary phrases were uttered, or that "scum" is a parliamentary word, and we are appealing that ruling as I understand it.

MR. CHAIRMAN: Well, the honourable member has the right to appeal the ruling. The reasons stated for appealing the ruling are not the reasons stated by the Chairman. The reasons stated, and I will repeat this, was that the honourable member for Port de Grave had the floor, the member for Bell Island and the member for Burgeo La Poile were engaged in a verbal barrage at one another. That coupled with the fact that the honourable member who had the right to speak was speaking, resulted in my not hearing what the two honourable members who did not have the floor actually said.

MR. NEARY: To set Your Honour straight, Sir, I was not in a verbal barrage with the member for Burgeo, Your Honour. I was talking at the Minister Without Portfolio, Sir. I made no reference, I was not even looking at the member for Burgeo, Sir. Your Honour is incorrect in saying that I was involved in a verbal barrage. I was not. I was talking to the Minister Without Portfolio, Your Honour.

MR. CHAIRMAN: Well again the member for Port de Grave - this point has to be dealt with whether honourable members want to let it go by the board or if honourable members want to proceed with it. In this case we will have to call in Mr. Speaker.

MR. WM. ROWE: Your Honour, it is a difficult point, I think it is an important point but it is a difficult point, Your Honour says he did not hear the honourable member utter unparliamentary statements. Well, I do not know how you appeal that, I was outside the House and heard it, Your Honour, so all I can say is that Your Honour either was not listening very hard or chose not to hear it or something, but Your Honour's ruling has to be appealed, Sir. It is an important matter, to allow another member of the House to use that kind of language on another honourable member. I heard it quite clearly outside, Sir, and I am afraid we have to appeal Your Honour's ruling.

MR. EVANS: On the point that was unparliamentary I will retract it, for this time at least

MR. CHAIRMAN: Now, do honourable gentlemen wish to proceed in this matter, because I believe the member for Burgeo LaPoile has said that he retracted whatever phrases were allegedly unparliamentary. These are phrases which I did not hear. However, I am quite prepared to call in the Speaker if the honourable members wish it.

MR. NEARY: I am satisfied that the honourable member retracted it.

I do not think he apologized, so I think the member should apologize to the House for using that kind of language.

MR. CHAIRMAN: I think a retraction is all that is required. Has this matter been now successfully dispensed with?

MR. WM. ROWE: The honourable member has somehow apologized for using unparliamentary language and I am willing to forgo our right to appeal Your Honour's ruling on that.

MR. CHAIRMAN: The honourable member for Port de Grave..

MR. WILSON: Mr. Chairman, there is one thing about it, it is after coming to my attention more forcefully, all honourable members in this House of Assembly, if they were interested in the welfare of humanity and on the question we are on now, housing, and God only knows plus

this House what is needed. Surely if we are here debating something to try to do something for the people of the province and the communities that we all represent, then at least we should get it in a decent and honest way and maybe, Mr. Chairman, if one has one talent one can use that better than the fellow who has eleven. That is proven here now plainly to me and to this honourable House since I am sitting in it, because first and foremost this very evening when the honourable member for Bell Island gets up and he is right interested in bringing in these houses already built and bringing them into the province; which dirt has been brought in here for years and years and years and over on our shoulders -

MR. NEARY: Mr. Chairman, a point of order, Sir, that statement is not correct. I did not talk about importing houses into Newfoundland, I was talking about the houses manufactured out in Stephenville, Newfoundland. Open your ears. Wash out your eardrums. Out in Stephenville the houses are being built I am talking about.

MR. CHAIRMAN: Order please! While I certainly would not want to discourage the member for Bell Island from advertising the Stephenville homes, I must nevertheless rule that this is apparently a difference of opinion between two members as to what one honourable member thought the other said. Certainly if the honourable member, the member for Bell Island, who has the dispute, certainly has the right to be heard in this debate and has shown in the past a willingness to participate in the debate and I am sure he will set the record straight as he considers it needs to be straight.

MR. WILSON: Mr. Chairman, it is immaterial to me. The houses are advertised in the paper that I see from the Mainland of Canada and it is immaterial to me where they come from, out of Stephenville or where they come from. It does not make any difference to me as far as that is concerned. What I have seen and what I have handled would cost more and they are inferior. I say this here and now, like the portable classrooms that came in here a few years ago to the schools, I had the occasion to erect some of them and after two or three days rain, we could not find a place to nail because it was built out of plas-wood, no waterproof glue, and when you

caught hold to it, it all fell apart in your hand. These are the houses that they are telling us are going for \$16,500, plus a basement and plus the labour of putting them together and all the labour that is given outside -

MR. NEARY: It is all-inclusive.

MR. WILSON: All the labour is given away, and we have started a rural development to manufacture our own lumber.

MR. NEARY: This is a Newfoundland factory.

MR. WILSON: Never mind your Newfoundland factory. All these trailer homes that are coming in here, they are the Newfoundland factory and I will tell you what this government is going to have, or the Liberal Government if you get it again, in ten years time there will be the biggest welfare programme in the Province of Newfoundland ever was heard of, without those who have the big jobs, got these trailer homes, because they are all going to fall apart. We have not gotten down to the nitty gritty of building a cheap home yet -

AN HON. MEMBER: Inaudible.

MR. WILSON: No, they are coming in from the Mainland, all these trailer homes, just about them all.

AN HON. MEMBER: Stephenville is in Newfoundland, do not forget that.

MR. WILSON: Never mind Stephenville. I know there is something coming from Stephenville. I am not that naive.

AN HON. MEMBER: You are learning boy.

MR. WILSON: You are learning. If you looked after NTA when you were into that, as well as I looked after my business, you would be able to do a better job. You talk along the lines of what you are used to. I am only talking on what I am used to. If you made a mess of that, I have kept my business going. You made a mess of the NTA.

I will tell you the whole trouble with housing in this province, that we have finance companies and they do not want a cheap house to build, if they can drive that house up to \$18,000 or \$20,000 or \$30,000, the more interest they are making on their money. They turn around and give you a house that calls for two-by-eight and two-by-ten for floor joists, I will give you

a house forty-two feet long and twenty-six feet wide. The difference in the floor joists is two-by-six and two-by-eight, you save \$245.70 on the floor joists alone.

MR. NEARY: How much could the member build a house that size for? Could the member give the committee some idea what he would build that kind of a house for? What would be the cost?

MR. WILSON: I will tell you, a three bedroom house out in the outports can be built, right ready to walk into, for \$17,500, on a concrete basement.

MR. NEARY: Could the member tell us what profit he would make off of that?

MR. WILSON: Hold on now, never mind the profit. Never mind the profit! When you turn around and go down to the finance companies and they hand you out a set of plan from Central Mortgage and Housing, you must have a basement. What are you going to have a basement for if you do not need it; and build that self same house on a concrete slab and you will save \$1500 on the floor alone.

MR. NEARY: How much profit do you make off of that?

MR. WILSON: Oh we would make \$1,000 or \$1,200. What is the matter with that? I have not to starve. My business is still going ahead.

MR. NEARY: You supply the materials yourself?

MR. WILSON: Supply the materials myself, yes, our own local materials with that.

MR. NEARY: Pardon me but I am really serious about this. What would the member consider to be a fair profit to make off say building a three bedroom house? What would the member consider to be a fair profit for a builder to make?

MR. WILSON: Well I would say if a builder made \$1500, that is plenty for any man to make as far as I am concerned. I am getting away with less than that, after getting away with since I started business, and I have never charged a cent of interest yet. I am after overseeing about 450. This is why I am interested. When a home is forced on somebody who does not need a basement, and what is it forced on them for? We were all reared up in houses which were built and lasted one hundred years, less than two-by-eight and two-by-ten for floor joists.

Built them on a concrete slab, you get away with all of that, and all you have to use for the sub-floor is plywood. You are saving money and this is what we want to do for the ordinary Joe who cannot get a home who needs it. The price is soaring higher. There the other day, \$26,000 and \$27,000 and \$28,000. I know they are dear here in town where land is \$7,000 a building lot but in the outports you buy a building lot for \$1,000 and probably a lot of people would like to shift out in the outports. I would gladly like to see them come out in the outports in my community, and get more taxes for the town council, and build a cheaper home and live there as far as that is concerned. This is my interest. That is why I am here. If I got no interest, only in here to sit down and argue with somebody against something, it is better for me to be home doing something else.

MR. NEARY: Any serviced land over around there?

MR. WILSON: What do you want serviced land for, serviced when you go to build a house? Where did our grandfathers have serviced land at?

MR. NEARY: Any land over there, period?

MR. WILSON: Thousands of land.

MR. NEARY: Can you get me a good building lot?

MR. WILSON: This is where it is to.

AN HON. MEMBER: I do not think he wants you.

MR. WILSON: As far as that is concerned. The houses - a two bedroom home out around the bay, built on a concrete slab - \$12,500, and you have got to pay \$16,500 for one of those trailers that blows over the first storm of wind. I will tell you what we should do. The legislation we should bring in this House is legislation to inspect what they send in here from the Mainland, instead of the rubbish that our people are buying. The responsibility is going to be left on this government or another government if they take office in years to come. We are going to have a lot of people on the path as far as that is concerned.

MR. WM. ROWE: Inaudible.

May 13, 1974

Tape No. 1614

NM - 10

MR. WILSON: Go out here on Elizabeth Avenue, I drove back and forth since I came into this House, I have seen some never erected yet, with even the sheeting on the outside blown off them - fiberglass with plas-wood on the inside. They are talking about the houses we are building here as far as that is concerned, I

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spoke about it here the other day. If we use lumber because John Joe saws it down the street or down in the lumber woods somewhere, there has to be a grade mark put on it. If a house is built by Central Mortgage and they cannot find that stamp on it, you have to beat it down, but it can come in from the Mainland and if it comes to rain you will not find one white spot into it, it is red from end to end and the grade stamp is on it. You can leave that one there and you have to tear down the good solid one because there is not a grade stamp on it.

Now gentlemen these are not lies. One who is after going through the mill knows. I will tell you another thing, we have no inspectors. When I started first in 1943, in 1945 I took the first contract of a two-storey house built by the Department of Veterans Affairs which is something the same as Central Mortgage and Housing. The specifications were all down for the stock to go into that house.

AN HON. MEMBER: Inaudible.

MR. REID: Right. We sawed it at home, the first house. The specifications and the stock and if it were scarce and you could not get two-by-five, and two-by-five were suppose to be used for the ceiling joists. so the department foreman came and told me. I was never very well pleased with them, I worked for the Highways Department building concrete bridges years before that. I was never very well up with these inspectors, as far as that is concerned. The old man is dead and gone now, Johnny Butt, a wood carpenter. I worked in the States and all the rest of it. I said, "Brother, let us try them out. We will see what can happen if they know we are building." It took fifteen pieces of two-by-five, fifteen feet long, and ripped up one-inch laths all the rest of the two-by-five and spiked it down. We went out. We never mailed it, we laid it up for the ceiling joists and called the inspector. The inspector came and he came along and he hauled a tape out of his pocket and he put it on the top and he measured it, five inches. It was just a piece of stuff lodged on top. This is what we got. This is just what we got here.

AN HON. MEMBER: I was wondering why that wall fell down.

AN HON. MEMBER: Was this not the house he built for ...

MR. WILSON: Right. It never fell down. It never fell down.

This is the kind of inspectors we have. They come out of school and they come out of university and if there were an old building underground they do not know a piece of two-by-ten from a piece of two-by-eight. They do not know the makings that are into it. They drew up plans and as far as building is concerned, the set of plans would eat them before they would build a building. Now I have proven this. Some one along the line has to pay for all of that. The man or partner getting the house built has to pay for it. If you have to come out from St. John's to inspect, that is all included into the price. Everything is included. If he make ten trips around the Bay that is all included for inspection.

Now I am going to tell you one thing with the Newfoundland and Labrador Housing Development: Last fall we applied for a house on the North Shore. This young fellow was trying to get a home and he bought an old church down there. In the church before now it was chopped timber, three-by-six was the floor joists into it. It was perfectly solid. I had lumber to sell but I did not want to sell it to the guy. He was trying to get a house the same as I was and I advised him. I said, "Use the three-by-six." He used the three-by-six for floor joists. He built his house and put on the floor and they came out for inspection. He was a long while trying to get them to come out and they came out for inspection. He had the roof on it. The inspector takes his rule and he turned down the three-by-six, but do you know what he passed to go into it? He passed two-by-eight, what you would call two-by-eight, and that was only an inch and a-half thick. The other ones were an inch thick.

There was a fellow who had to turn around and go and spent \$700 or \$800 to get floor joists, in order to get the house passed. Now if any man can point out to me that there is something being done along the lines to help out the poor people to get homes when this is happening.

AN HON. MEMBER: Inaudible.

MR. WILSON: Well I do not see it.

MR. ROWE, W. N. This is Newfoundland and Labrador Housing? Cross the floor.

MR. WILSON: I have not got to cross the floor on this. These are issues that have never been brought here but I am going to tell you the honourable Member for Bell Island who spoke about these houses whether they are from Stephenville or from the Mainland come in here, I can show him. Come out in my district and I can show him the eye sores that were brought in here from other provinces and built, out in the Echart Mills, out in the Rubber Plant. The Chocolate Factory was that bad that they had to burn it down.

AN HON. MEMBER: Inaudible.

MR. WILSON: Well this is what has being going ahead and this is what they are pouring down into us. Surely after all of these years if we are not men enough and have not got men enough to look after and build our own homes and to know what we can do, without having someone come in from the Mainland and try to tell you this is nice, until you get into it. If you can get a house to put on a foundation, it is \$16,500, if you get your foundation in, you get your septic tank and your plumbing, what you are off of \$24,000 is very little. This is where we are to. Sir, we want to get down to something that you can give the ordinary man that he can go into the woods in winter and if he cut 1,000 logs and get them sawed on the halves, he got that much lumber and he can use his own lumber; if he can get a few dollars from the Newfoundland and Labrador Housing Development somewhere around or someone to help him out he can get a home. I am glad to hear that the Newfoundland and Labrador Housing Development is going up to \$17,500 but gentlemen I am going to tell you in the outports if the Newfoundland and Labrador Housing goes up to \$17,500 you do not have to worry about housing, all you need are men who got the guts and the gumption to build them if they can do it for \$17,500.

MR. CHAIRMAN: The honourable Member for Bell Island.

MR. NEARY: Mr. Chairman, in view of the great oratory that we just heard from the other side of the Committee, from the Member for Port de Grave, Sir, a great statesman, (It is too bad the Premier is not in his seat) I was going to recommend to the Committee, Sir, that the Hon. Premier make the Member for Port de Grave the minister responsible for housing, because he is doing such a great job, Sir; because the Minister of Municipal Affairs and Housing has no experience in the field and does not seem to be able to grasp the problem anyway.

AN HON. MEMBER: Inaudible.

MR. NEARY: Because I heard the minister reply to some of these statements that I made Friday and today, Sir, twist and turn so much and then had so little knowledge of the housing needs in this province, Sir, that I think he needs to be replaced, and I could not think of a better honourable gentleman to replace him than the Member for Port de Grave.

AN HON. MEMBER: We are with the honourable member.

MR. NEARY: A man who has tremendous experience in house construction in this province. I must say he really sold me on the ideas, Sir, and it is too bad the Premier is not here so we could put that recommendation to him.

AN HON. MEMBER: He is a fine fellow.

MR. NEARY: Pardon?

AN HON. MEMBER: Inaudible.

MR. NEARY: Let George do it, Sir, that is -

AN HON. MEMBER: Inaudible.

MR. NEARY: I could see the Minister of Municipal Affairs and Housing going around now like he did before, trying to get the ministers to sign a petition so he could hang on to his job, clinging on, you know, going around trying to get the ministers to sign a petition.

AN HON. MEMBER: A petition and nobody even signs it.

MR. NEARY: A great threat. The biggest threat now to that minister is the Member for Port de Grave, after the excellent speech that he just made.

MR. WILSON: What is this thing about the petition?

MR. NEARY: Oh, yes the minister one time before circulated a petition to his colleagues to try and hang on, hang her down.

Sir, I was not talking about houses that were imported into this province. Mr. Chairman, you know that I was talking about these excellent quality houses that are constructed out in Your Honour's own district, out in Stephenville.

I am sure if Your Honour were permitted to speak in this debate that he should get up and give us a great lecture.

AN HON. MEMBER: He should have ruled him out of order.

MR. NEARY: No, I did not want the Chairman to rule him out of order but I -

AN HON. MEMBER: for misleading the Committee.

MR. NEARY: I was not talking about importing homes, Sir.

The Minister of Municipal Affairs earlier, Sir, referred to my making a statement. A ridiculous statement," he said,"about giving away land." I do not ever recall making such statement, Mr. Chairman. I said, "Lease the land."

AN HON. MEMBER: Sure he did say it.

MR. NEARY: Sir, I am still one hundred per cent right about these homes, \$16,700, I made it up the other day, tabulated it while I was on my feet, \$16,700 put on the foundation. "The foundation" I said, "would cost about \$2,500, if you are going to put in a full size basement it would probably cost you more, the outside of \$2,500. A piece of land here in the City of St. John's \$6,000, \$7,000."

AN HON. MEMBER: Inaudible.

MR. NEARY: That is \$7,500, Sir, add that on to \$16,700 and what have you got?

AN HON. MEMBER: Inaudible.

MR. NEARY: What? How much?

AN HON. MEMBER: Twenty-four thousand dollars.

MR. NEARY: Twenty-four thousand dollars. What did I say the other day? \$24,000? \$25,000? \$26,000? That is a big difference, Sir, from \$35,000 and \$40,000 and \$50,000, \$60,000 and \$70,000 that people are paying for these houses right now. Then I suggested to the minister, instead of the poor old individual having to buy the land for \$7,000 lease it to him.

AN HON. MEMBER: Give it away.

MR. NEARY: Who mentioned giving land away? The minister must be hearing things. Lease the land to the homeowner, Sir. Lease it as long as it takes the individual to pay of the mortgage or if he should come himself and say, "Look I now want to buy that land," then sell it to him. What is wrong with that? They are doing it in other provinces. They are doing it in -

AN HON. MEMBER: Inaudible.

MR. NEARY: Pardon?

AN HON. MEMBER: Inaudible.

MR. NEARY: When the mortgage is paid off if the individual should want to buy the land, by all means sell it to him. If he should not want to buy it lease it to him. So what? What difference does it make?

AN HON. MEMBER: For how long?

MR. NEARY: Ninety-nine years.

AN HON. MEMBER: What is the difference in leasing it and selling it?

MR. NEARY: What is the difference in leasing it and selling it?

AN HON. MEMBER: Inaudible.

MR. NEARY: No, I am not. The difference is that it does not create an additional burden, Sir, on the shoulders of the person who has to go out and float the loan.

AN HON. MEMBER: Inaudible.

MR. NEARY: Over the long haul? What does he mean giving it to him?

MR. EARLE: Inaudible.

MR. NEARY: On the mortgage? Lease it to him. The government buy it and lease it to him. Fifty-seven dollars a month. Six hundred and some odd dollars a year. Let me see, I shall have to check my lease. I shall

have to check my lease, Sir, because I do not think that statement is correct either.

Mr. Chairman, could Your Honour tell us if we are going to get an extension of time? Will the gullotine fall at 10:36 P.M., Sir? Would the -

MR. BARRY: Sir, the honourable member spent the last two hours wasting time.

MR. NEARY: But we have to rise the Committee now at 6:00 P.M. Would Your Honour please inform the Committee if we are going to get an extension of time or are we all going to be ragged at 10:30 P.M., tonight? We only have five departments. Look, we have Legislative, Justice, Finance, Manpower, Social Services; Municipal Affairs we are on now is six -

AN HON. MEMBER: Executive Council.

MR. NEARY: Executive Council does not count.

AN HON. MEMBER: Rural Development.

MR. NEARY: Rural Development is seven. We still have ten or eleven departments to go, Sir. It is virtually impossible to do ten or eleven departments, Sir, in the time remaining at our disposal tonight.

AN HON. MEMBER: Tune in to V.O.C.M.

MR. NEARY: I know, Sir, I can hear Froggy - Froggy will be on there Sir, at 6:00 P.M. with his usually nasty remarks. Ah! the people are wise to him in this province, my son.

MR. ROWE, W.N. He goes on television.

MR. NEARY: He loses 10,000 votes everytime he goes on, with his nasty -

AN HON. MEMBER: Inaudible.

MR. NEARY: But, Mr. Chairman,

MR. EVANS: Inaudible.

MR. NEARY: Sir, I have about forty more seconds to go. Could I pry an answer out of Your Honour? Are we going to get an extension, Sir?

MR. MARSHALL: Keep the opposition, such as it is.

MR. NEARY: Yes, Mr. Chairman, that is a very great contribution now

MR. MARSHALL: It is just as good as his.

MR. NEARY: Very worthwhile. Your Honour if "Froggy" can only restrain himself for a minute, would Your Honour tell the -

MR. CHAIRMAN: (STAGG): Order, please!

Before I leave the Chair, before calling it 6:00 P.M. the expression being used by honourable members to describe an honourable member to my left, while it may not be unparliamentary it is certainly an undignified statement. The honourable members to my right were very vociferous in attempting to get the word "slime" retracted, which was allegedly mentioned. I suggest to honourable members that over the dinner break they seriously consider whether words of this type are conducive to good debate.

It now being 6:00 P.M. I do leave the Chair until 8:00 P.M.

The Committee resumed at 8:00 P.M.

Mr. Chairman in the Chair.

MR. WOODWARD: He will soon be a minister, Mr. Chairman.

Mr. Chairman, I would like to make a few brief comments on the subhead of the Minister of Municipal Affairs and Housing. I was away from the House today and I did not get much of the debate that was going on. Looking at Municipal Affairs and Housing and in particular Municipal Affairs I think that most people in the province sympathize with the minister and his great charge or his responsibility of looking after all the municipalities in the province and the number of municipalities that want to come in by means of incorporation or community councils or some other form of local government that his department have rejected over the last couple of years and, as he said today, sort of soft-pedalled and put a number of municipalities off that were looking for some type of local rule or local government.

The basis of this whole province, I suspect, Mr. Chairman, is the fact that it is made up of a number of municipalities and the disparity that is evident throughout the province in the type of communities and the type of government that is carried on.

Looking at Labrador, I have been very concerned about regional government because of the fact that I feel that regional government is the type of government that can best govern this particular part of the province looking at it in a much broader sense than having the Department of Municipal Affairs represented in a number of regions throughout the province and spreading their arms abroad.

Looking at what has happened on the Burin Peninsula and having had the opportunity to visit and have meetings or at least on a couple of occasions to have meetings with the joint councils of the Burin Peninsula, I thought that they were a very forward-looking group and maybe would bring some semblance of order to local government throughout the province. I suspect that more groups or regions will unite together and bring a more forceful presentation or more weight on the minister and his department.

So, it is unfortunate that the Whalen Royal Commission has not yet submitted their report. This particular administration, looking

back at their planning and their priorities and their royal commissions, have seemed to be sitting silently waiting for someone else or some guidance from other types of organizations to come in and tell them what they should do as far as governing this province is concerned.

I think that is very sad because when we take a couple of years or maybe three years now before we get into another budget, a lot of communities throughout the province have suffered because of the soft-peddalling of the minister and his department on developing of a number of communities. When we think in terms of his government going abroad, in a regional sense, we have felt - I agree with the member for Labrador South who has some very deep feelings about the fact that this department has not yet been geared to monitor nor to give any guidance nor any direction to most of the communities in this province, either from a monitored point of view or from a planning point of view.

When we think in terms of a number of agencies going into communities, we think in terms of an overall plan. I think we are looking at maybe each community in this province whether it is an incorporated community or whether it is a local community council or an elected council, as looking to his department for some type of long-range planning for the development of their communities. There is no evidence of this being done any place throughout the province.

Now, the minister today, in reply to the member for St. Barbe South, did mention the fact that they were looking at regional government but he in no way spelled out any type of policy that his department would be setting forth for regional government. I would like for the minister maybe to say a few words in reply to my questions on what type of regional structure he would put into being for the mainland portion of the province.

Looking at Goose Bay, we always think in terms of Goose Bay as the focal point or a distribution point for most of the administration of government in Labrador. Would he think in terms of maybe setting up a regional office in Goose Bay that would serve maybe the whole of Labrador? He could consider that as the same type

of office, I suspect, not in terms of the type that they have in Corner Brook but someone sitting in the regional office with some authority to deal on a day-to-day basis and give directions to most of the communities.

We have found over the last four to five years - I wonder, Mr. Chairman, if there is a Page around and I could get a glass of water? I know that the House is running down to some degree. The Minister of Industrial Development is distributing a lot of candy around the House. Maybe if we could get a Page?

AN HONOURABLE MEMBER: Inaudible.

MR. WOODWARD: A bucket of water, a tub of water, a barrel of water.

AN HONOURABLE MEMBER: Inaudible.

MR. WOODWARD: Yes, I know that the minister is not that familiar with Labrador. He does not know North from South or East from West. He does not know Labrador at all. It is the understatement of the year, Mr. Chairman.

AN HONOURABLE MEMBER: Inaudible.

MR. WOODWARD: Well, she is delivering gallons of oil now, which is at a very low price.

MR. CROSBIE: High-priced oil.

MR. WOODWARD: High-priced? No, not at all. Very low-priced indeed.

Now, I think that one of the reasons why the communities, especially in the Northern section of my district, Mr. Chairman, are behind in community planning and community facilities is the fact that they have been out of reach over the years with the Department of Municipal Affairs and Housing. So, maybe the minister could tell the committee what part his government is going to play.

We have had a situation that developed - I will start in the northern part of the district that has been largely serviced and funded by federal funds and the planning has not been done by the experts. We have had partial services that have been developed by people from Labrador Services Division. I may say, Mr. Chairman, that those people have done their best in the communities but they have not been under the direction of municipal affairs and they have not had at their disposal

the expertise and the planning facility available to them that municipal affairs has.

So, as a result of that largely, the communities have been developed on an ad hoc basis with no semblance of order and no semblance of planning. So, maybe the minister can tell the committee if in fact he is working in conjunction with Labrador Services Division so that he can lend his expertise. I asked for this a number of times. We have had a fair amount of correspondence between Labrador Services Division and myself and the communities. I think this weekend in Hopedale we will be having a meeting of the joint councils. We have an association. I am wondering if the minister shall be sending along any of his officials or people from his department to hear what has to be said at that conference in Hopedale which is taking place this weekend.

We have had housing that has been built by the Labrador Services Division that has been funded largely through the federal government, under the Indian and Northern Affairs Department. This housing development was also in an ad hoc way, with no supervision by any experts other than the people. I may add again, Mr. Chairman, that the people from Labrador Services which were largely left up to the manager of the depot - he was put in that community or in those communities primarily to run a retail outlet. He serviced the function of running the retail outlet, primarily in the retail trade. He also served the function of developing the community and to supervise the housing and the few services that we have. If there were any attempt at water and sewerage, the manager of the depot did that as well. He also looked after the development of schools. He also in a number of cases acted as a tradesman in a number of functions in the community.

So, one can hardly expect to develop a community along those lines when we depend largely on one person who does not have any expertise in any particular field other than maybe his own related trade which is the retail trade.

So this has happened and has been taking place for a number of years. I have fought vigorously to take this type of planning and community development, not necessarily out of the hands of the Labrador

Services as far as funding is concerned because I am very much aware of the fact that the minister has not been very liberal with his funding to those communities and had it not been for the federal participation, we would have possibly ended up with very little. So, maybe the minister can tell the committee what part he is taking now.

I feel that Municipal Affairs and Housing should be responsible for the planning and the development of all communities in this province. His department should not in fact divorce itself from that type of planning. So, maybe he can tell the committee just exactly what plans they have and what type of liaison or co-ordination exists between his department and the department that is doing the funding, which is the part of Labrador Services which comes under Recreation and Rehabilitation.

Another area, where we are having some real difficulties today, I would like to think in terms of mentioning maybe, I jotted down a headline here:- Community towns in the province, and the Community of Goose Bay, Happy Valley that has now become an enlarged community with an elected council. One portion of the community is indeed administered by the Department of Municipal Affairs and the other portion of the community, the property and the land is owned by the Ministry of Transport but under the jurisdiction of the Department of National Defence, I think, because they are considered as a military reserve.

So, there was an election held on February 12. We have a total population in that community today which is the fifth largest in the province, a population of some 12,000 people. The newly elected council is hamstrung because of the fact that they do not have any jurisdiction over the land. So, maybe the minister can tell the committee what action he is taking as far as getting the land and putting it under the jurisdiction of his department or crown lands, whichever the case maybe, so that we can look forward to having some developments take place in that new community this year.

There are a number of people who have made application. We have a number of industrialists. We have a number of people who want to move in on the anticipation that the Lower Churchill is going to go

ahead this year. I understand there is some delay as far as financing is concerned, and there is another committee set up to look into financing of that particular project. I am sure, Mr. Chairman, that this will probably be delayed for another couple or three years or maybe as much as five years.

MR. DOODY: There is only one small window in the financial package. As soon as the honourable member signs the note, we are off.

MR. WOODWARD: Well, when I am asked to sign the note, I shall sign it. Okay? So we do not have a problem there then, Mr. Chairman. That particular problem is out of the way.

The overall planning for that community is very important. I must say that the department has been working with the Goose Bay project group as far as development is concerned. We have not seen any real conclusive evidence as to the type of plan they are going to develop. We are waiting for a number of studies that are under way.

Then again we must take into consideration that we have a very short construction season in the North Country and if we do not get something off the ground within the next couple or three weeks then the plans will be delayed for another year. So, maybe the minister can tell the committee what really exists there.

Another great area of concern and one that is, I guess, very evident in the whole of the province now is the fact that acquiring crown land or getting grants for crown land in the communities, especially in Happy Valley where the crown lands have been frozen, there are a number of people waiting for grants. We have been told that this is not the case. We have to do more planning and then we have to get a surveyor in.

It is unfortunate that the cost of surveying a lot of land in that community went as high as \$475 for a piece of land that measures about 75 feet x 100 feet x 150 feet, which we consider to be well out of reach in a lot of respects as far as the average householder is concerned. There appears to be some conflict between

Crown Lands and Municipal Affairs So, maybe the minister can give us his views on what type of policy should be set up. I understand one particular community in the province, the extension of Buchans, the land was given over to the municipality and the municipality had the right to give grants to people, from the office at Buchans, in that new development. They were not subject to going through Crown Land.

So, maybe that type rather than having all the problems and the delays that have existed for the last two years and the chaos that has been created in crown lands, maybe each municipality should be given the right to the property and they in turn would give legal grants and titles to property. Maybe this would cut down on some of the delays and the problems that exist in the province today.

We mentioned the fact that Labrador City - and the member for Labrador South supported the member for Labrador West in his bid for additional housing and development in that community. Mr. Chairman, there is no greater need exists in any part of this province today as far as housing is concerned than in the community of Goose Bay, Happy Valley.

I do not want to take anything away from the member for Labrador West but in fact there is a great need exists in our community and a survey shows that there is a need for some 500 units, primarily to take care of the crown corporation that our Minister of Finance is so pleased with and is running so efficiently today, the Labrador Linerboard Operation. I am sure he is quite aware that it is not costing him any money. It is a very efficient operation.

The reports that were made to his department by a well qualified group that was sent out to do a study on housing in the Goose Bay, Happy Valley area, said that one of the pitfalls of the Labrador Linerboard Operation is the fact that they do not have sufficient housing to take care of the work force. They experience difficulty in attracting enough people to the area to look after the wood harvesting operation. So, maybe the minister can tell the committee what plans his department has as far as the development of houses or trailer courts to take care of the needs in the Goose Bay, Happy Valley Area

The other area that I would like to mention, Mr. Chairman - maybe the minister could throw some light on this - is the fact that we have in a number of communities on the coast and especially in Nain and Makkovik last year, after the serious fire that we had in the Community of Nain, losing the government store and all of the provisions or food stuff that was stored last year, in the community, we made an attempt to put some

fire-fighting equipment in the community. Now we have discovered that the type of equipment that was put in the fire truck with the pumping engine put into the Community of Nain and one into the Community of Makkovik - we discovered that during the wintertime this particular type of equipment is unusable. It does not render any service to the community. It is placing some great financial burdens on the community councils themselves.

So maybe the minister can tell the Committee exactly what type of - if he or his department retain any outside interest, to go in and take a look at the type of fire-fighting equipment that would best suit a community such as Nain where you have temperatures in the forty below zero during the wintertime and have very short days and you also have no snowclearing around the community. I found it to be very odd to put in a wheel-type vehicle into a community of that nature when the community itself is covered with snow for a period of six months a year and cannot get a wheel-type vehicle around in the community. I have expressed in this Committee and I have looked at a number of operations in the Arctic as far as fire fighting is concerned and the Department of Northern Development came up with a suitable tractor like vehicle that can lend itself to both winter and summer conditions and has served the purpose very well. I suspect in this case here that they were sold the bill of goods by some people and now that fire-fighting equipment in both of the communities is of no use to the community and it becomes a financial burden to the community councils.

So maybe the minister can tell the Committee exactly what are his views as far as protecting the property in these communities.

The other area of housing that was mentioned by the Member for Labrador South and the difference in quality of houses that were built for government officials and the type that is built for the local or native people, there is indeed some great measure of differences as far as the actual quality and type of house is concerned. It created a lot of discontent and resentment in the community between the governing bodies of the Civil Service and the local people.

I know for a fact that there have been a number of houses built that have really been not built to a standard and I have seen a number of homes that were built for the Indians in Northwest River that went by the board in less a period of five to seven years. So maybe, Mr. Chairman, when we are looking at building cheap housing and then we have to rebuild over a period of five to seven years, maybe if we changed our policy and put some substantial construction then in the long run it would save both the discontent that exists with the natives and save the public treasury a considerable amount of money.

There is a lot of planning that has to be done, I feel that with the Newfoundland and Labrador Housing and the Department of Municipal Affairs that they should get deeply involved. They should have a qualified staff stationed in Labrador because most of the communities have just started now to develop. There has been a substantial amount of federal funds put into the communities, A lot of it has not been spent wisely because of the fact there has not been sufficient planning put into it in the initial stages.

So I would suggest to the minister maybe to give some light when he speaks again in the Committee to this particular situation.

We have had considerable discussions here in this Committee and considerable correspondence to and fro between the minister's department, the Department of Health and the Labrador Services Division and indeed most of the government departments concerning the quality, the contaminated water and the health hazards that have existed for a number of years. We have quoted statistics on cases of illness that have developed through contaminated water in a large number of communities.

I am very pleased to see that we are starting in one particular community this year, I am not at all, in the Community of Makkovik I am not at all pleased with the type of planning that the minister's department is putting forth along with Labrador Services Division. I feel that starting at one particular location and then maybe going in periodically, maybe at two year intervals, into each community. The last couple of communities will probably be waiting for a period as much as

maybe twelve to fifteen years. Pardon me. Water is bad, boy! It is contaminated. It is contaminated. There is something wrong with it.

AN HON. MEMBER: Inaudible.

MR. WOODWARD: There is something wrong with it. I think the Minister of Industrial Development had something to do with it. He contaminated it.

Mr. Chairman, the Minister of Industrial Development is always in a jovial mood and I am sure he is not trying to be funny or anything of that nature. He is just his usual self, but a serious threat exists in most of the communities as far as safe drinking water, I think which is the right of every community or every human being that lives in this province today.

Now we have had the problems with the doctors and the nurses going into the communities and diagnosing certain illnesses and coming out with a lot of publicity and going around and making leaflets. The only communications we have, I was going to say through the media, well they got it through the media, to the outside, but the media did not reach the community, (Mr. Chairman, because of the fact we do not have radio and television in most communities.) advising the residents to boil their water, which does not always happen. There are a lot of people who do not see the need of boiling water from a safety point of view. The illnesses still exist in a large number of communities. The Community of Northwest River, the Indian side of the community is a very grave concern for the health authorities. The Community of Makkovik is also a great concern and the Community of Nain is a great concern for the health authorities because they feel that they will have an all-out epidemic in the community if something be not done within a very short space of time.

So rather than starting in Makkovik this year and maybe finishing up three years later in that community and then the same work force and the utilization of the same equipment moving all along the Coast, I doubt if most of the communities can wait for a period of twelve to fifteen years. So I would like to see that programme upgrade. I would like to see a number of communities get started at the one time. We

have been fortunate in the respect that we do not depend largely on municipal funds or provincial funds because this is the grid shared by the federal government because of the Indian and Native Agreement.

So maybe the minister can tell the Committee exactly if they have any plans to step up this particular programme and maybe get a total coverage in a period of four to five years rather than waiting some fifteen to seventeen years if we work on the basis that we are working now.

Hopedale poses a different-type problem, the terrain, and it is going to be very difficult to put in the normal type water and sewerage system. I am trying to encourage the community to see if they would be willing to resettle in some area where they could probably get suitable terrain, where they could have the facilities of water and sewerage and other facilities such as airstrips. The Community of Hopedale is build primarily on a mountain. It is a very rocky terrain and there is no way that you can get down into the community to put water and sewerage in. There is one way that it can be done, and I have had some experience with utilities that have been used in the North country, by way of heating and installation. They use them largely in Frobisher Bay and in Makkovik, Yellowknife. It is an expensive proposition. It can be done and maybe rather than moving a community, if you look at putting water and sewerage into the community through the means of a utility, providing you have sufficient -

AN HON. MEMBER: Inaudible.

MR. WOODWARD: Yes.

AN HON. MEMBER: I thought that he might like to clarify -

MR. WOODWARD: Well when you think in terms of Churchill Falls I do not think it was put in primarily because of the terrain; you could not get the water and sewerage in the terrain. It was put in primarily because they had lots of cheap power and maybe the cheapest type of construction for a temporary stay while the trailer camp was in existence but I can fill the minister in on a lot of things that happened in Churchill Falls. I was one of the first contractors on the job in 1967.

I can tell him about snowclearing and I can tell him about road maintenance and I can tell him about dyking and as a matter of fact I may ask him for a job as a consultant when he finally gets around to -

MR. DOODY: He and I can get -

MR. WOODWARD: If he has got sufficient amount of money to pay me.

MR. DOODY: All right, never look back -

MR. WOODWARD: Yes, I agree. I will agree with the minister, Mr.

Chairman, I feel that he is contributing heavily to the Committee today as he usually does. I suspect that Purity Factories will send him another box of candy to keep him going.

MR. W. N. ROVE: Do not be too hard on him, he is going to give his maiden speech later on today.

MR. WOODWARD: Is he?

AN HON. MEMBER: On a point of order, Mr. Chairman, would he like a candy?

MR. WOODWARD: Mr. Chairman, these are some of the things that I would like to hear from the minister on. They are very important things. I feel that the minister's department is a big department. He, no doubt, has some heavy demands and rightfully so he should have heavy demands and he should have the foresight to develop a department that is going to serve the needs of the people of this province and not to sit behind his desk or shelter himself from the community representation by using the excuse that we do not have the staff or the management or that we are not setting the gear to take care of it. If you are going to govern this province you have to set the wheels in motion to take care of the needs of people. This is what government is all about. I suggest, Mr. Chairman, that one of the very, very important things in this province is to break his department down into regions so that he can get closer to the communities, his officials, so that they can function on a better level than they are already functioning. So maybe we can hear from the minister, Mr. Chairman.

MR. EARLE: Mr. Chairman, a rambling dissertation as we just heard is pretty hard to reply to because there was not a direct question in all

of it, I was listening pretty closely. There were a lot of comments in one way and another about different things but nothing much that I can answer.

I noticed that the honourable Member for Labrador North referred to the joint council of the Burin Peninsula as being sort of a prototype for regional government, where they get together frequently and have meetings and sort out their local problems. Well this actually is the sort of thing that we envisage only with more strength behind it for a regional government. In other words, there would be a government of the region and then parts of it, the different towns and so on, would meet frequently under this with their own councils and discuss problems pertaining to the particular area.

Now if you try and fit that into the Labrador picture it would be pretty difficult, at the present time at least, because of the lack of road communications. It is all very well to say that this sort of thing can work on the Burin Peninsula, where they can drive within a matter of a quarter of an hour or half an hour to each other's meetings and so on. I would think, on the Labrador Coast in particular, it would be extremely difficult to have anything of that sort function efficiently. The villages as we know are very far apart and remote. Perhaps one would have to call a plane or something in this service to get the people together for these types of meetings, but no doubt it will work out and it can be done sometime in the future.

The point is, on the regional government we are only just beginning to get our first phases of the thing going insofar as I said earlier today that we have set up regional offices now in Corner Brook and Gander which will service large parts of the island and eventually of course a similar set up to that would be in Labrador. How soon that will come about would be dependent I think on how successful we are in getting all of this thing organized. The fact is that we are just making a start at it. When we get the groups working here on the island, we will then have a look and see what we can do in Labrador.

I do not think municipal government is something that you can push on people; it has to grow gradually. In the more remote areas of the

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province it is extremely difficult to get something that can be of practical benefit to the people. The honourable member mentioned a meeting that had been held down there and wondered if any of my officials would be going to it. They would be very happy to attend a meeting. If we have a request from anybody to attend, I shall send an official down to the meeting referred to at any time.

We do work very closely with Labrador Services on all of the problems down there, particularly with regard to water and sewer and these projects that we have been discussing with them. They had their own problems, of course. The Labrador Service group down there were, as the honourable member said, mainly storekeepers but they were in the house building business with the Indians and Eskimos and so on. As I recall it from what I saw down there, particularly in the Northwest River Area, the housing left a lot to be desired. I do not think it was all that good although it may have been suitable for the terrain, I do not know but I think that a great improvement could be made on the type of housing that is being built in Labrador. Of course, construction is not an easy problem in that area. For instance, at Goose Bay last year we called tenders for housing units and got no bids. Again this year we have just called tenders; they closed recently and still no bids. We put out these calls for tenders, there were forty-eight called, and the most recent was for Goose Bay-Happy Valley but there is no bid forthcoming. I do not know what we are going to do about it.

We are investigating at the present time placing prefab homes or possibly mobile homes down there. The Newfoundland and Labrador Housing Corporation is looking very closely at that and if we cannot get any bids to build homes we may have to do that. At the present time the Newfoundland and Labrador Housing Corporation is completing a design for a fifty to sixty lot land assembly at Happy Valley. This is in the process and it will take its normal course.

The question of land ownership at Goose Bay-Happy Valley, the military lands, my colleague the Minister of Industrial Development here has been dealing with the Goose Bay-Happy Valley project group and the transfer of these lands to the province and I suppose to us. I do not know at

what stage that is. Perhaps he can inform me, but I have not heard anything of it recently, as to what stage that has reached.

The question of crown lands in the area - I was asking my deputy minister here if we had any applications for transfer of crown lands. To the best of his knowledge we have not. Is that correct? We have not had any request from the towns down there for the transfer of crown lands. If they do apply of course the normal process for crown lands is to turn them over to my department and then my department in turn turns them over to the council, should we get any request.

Fight-fighting equipment in Labrador, that is a pretty sad story. On the recommendation of the fire commissioner's office we sent the regular type of fire equipment to some places in Labrador, which of course turned out to be absolutely useless. To begin with, everything, in the winter everything is frozen up, there is no water for these things to use and within a matter of hours they freeze solid. I understand they were not looked after too well, they were not properly housed and the things as the honourable member says, are more of a liability than an asset.

We are having a look to see if there is any other kind of equipment that could be suitable for the Labrador Coast. I presume there must be something available that will suit that kind of climate and territory. So far we have not come up with anything.

The problem generally, when one has to enter into special areas with special climatic conditions, is that it becomes very, very expensive. I do not know if the type of thing that could be sent down there would be at all suitable or within the reach of a community on this fifty-fifty cost sharing basis. It might prove to be rather expensive.

I mentioned this afternoon about the agreements for native people. This is bogged down really, I think because of the fact that there is a federal election coming up now. The Department of Urban Affairs, Mr. Basford's department, has been having rather a lot to say about special agreements for native people. I think he is most interested in promoting housing for native people.

I asked the question at the time of how this would fit in with our present agreement with Northern Affairs. I have not yet received any answer on that. I took the attitude frankly that in the programmes which we are developing for Newfoundland in housing that the same programmes could be extended to native people if they are able to avail of them. After all, I consider - I think rightly so - that anybody living in Labrador or on the Island of Newfoundland is a Newfoundlander. Whether they be an Eskimo or an Indian or a native Newfoundlander of the island, they are all entitled to the same programmes that this province has to offer. If there be those in Labrador or any groups that can avail of the types of housing that we have to offer, we would most certainly give them the same consideration as anybody else in the province as far as loans or anything of that sort are concerned.

The experiment down there by the MacLaren Organization, on the installation of water services in deep-frost areas, has not come up with anything very exciting at the present time. It has come up with something very expensive but nothing within the normal reach of a normal municipality. We are carrying out some experiments on the northwest coast of the island hoping that we will develop a system

which can work in Labrador.

When the honourable member mentions such places as Hopedale and others, it is almost an impossibility, I suppose, to sink any kind of a system into the rock down there, to do that properly. If we are going into a heating system, the operating costs are exorbitant. I do not think any council down there could bear the cost of operating these systems. It might be all very well for a project like Churchill Falls or the Goose Bay people or somebody with military forces behind them to operate a system like that but certainly not the ordinary small community council. They would have to have terrific grants to maintain the system. I would want to be very sure that even at that they were going to work.

We are continuing to have a look at this. Probably when we have finished some experiments on the northwest coast; if they are feasible, if they work out, then we can apply them to the Labrador Coast to see how they work down there.

The honourable member mentioned that there was no point in the minister, while he sits sheltering and sulking behind his desk, just taking a negative attitude. I do not think, in all fairness, that I can be accused of that. I will see whatever delegations want to come and talk to us or anything that we can do to help any people in any community. I think the biggest compliment paid me in this session so far was that I have been compared to the Minister of Finance. I was told that as a "Scrooge" I outdid him a long way. Well that is, I consider, a great compliment.

Neither of these finer points I think apply to my department and certainly not to me as minister. The door is open for people who want to talk to us. Anybody with a grain of common sense must realize that we have to operate a sensible, reasonable operation. We just do not have millions of dollars to pour away on things which probably will not work. So, we are anxious to help but I think the member himself would be the first to admit that there are some particularly pertinent problems in the Labrador Area which are not easy to deal with.

The problems in Labrador are so different. We have Labrador City, Wabush where the company towns, in order to get workers to stay there and so on, they have brought them up on a very high standard of service and a service which I think any normal municipality which is doing its own financing might find impossible to carry. At the present time we are talking to both companies in Labrador City and Wabush and to the people down there with the idea of seeing if they want a regular form of elected municipal government. There seems to be some demand for it but yet we want to know, if we are going into that kind of thing, just what the contributions will be from the companies and what sort of services can be maintained by any council.

We have had the Harnett, Caine people doing a pretty detailed report on it. When we get the result of that we will be able to come to some decisions. I sincerely hope that Goose Bay, Happy Valley, now that they have amalgamated and had their election that that will work out well. There is the nucleus of a good area, in that whole area there, for council operations. I should think that they can manage a very satisfactory operation once they get properly organized.

There again in Labrador it is probably more expensive than on the island. Time will tell how we get on with that. I do not know if there were anything else in the member's remarks that I overlooked but this is about all that I could pick out of it at the moment. So, I will sit down and see if there are any other questions.

On motion subheads (1901-01) to (1902-02-02) carried.

MR. W. ROWE: On subhead (1902-02-03), Mr. Chairman. Would the minister give the committee some indication as to what great beneficial extravaganza is included under this heading, Silver Anniversary of Confederation, \$14,000?

MR. EARLE: Yes, Mr. Chairman. I thought I short-cut that one this afternoon by already telling the committee what that was for. What we are doing with our contribution towards the Silver Anniversary is we are fitting out a caravan to travel around most parts of the province, the larger centers anyhow, to display some of the workings of

municipal government and the operations of the department, with a heavy emphasis on housing and the housing programmes. It is an educational effort. We will have qualified people with the van to explain the programmes, explain what we are doing and we hope that it will be a good help to people in understanding some of the operations of municipal government.

MR. WOODWARD: Mr. Chairman, maybe the minister could tell the committee if he has any indications of sending the caravan into Goose Bay. It is quite easy to ship it in by boat and have it on display for a couple of days and arrange to ship it back out again. This can be easily done. Maybe he can tell the committee if there is any money in this \$14,000 for Mr. McLean.

MR. EARLE: I do not think it was considered feasible. I have a list in my office of all the places going up -

AN HONOURABLE MEMBER: Inaudible.

MR. EARLE: I know. Actually we had a bit of trouble getting the thing from Come-by-Chance in here. It got rather badly broken up. So, if we have to send it down to Goose Bay, it might really suffer a casualty.

AN HONOURABLE MEMBER: Come-by-Chance?

MR. EARLE: It was out there, one of these trailer things. We brought it in and fitted it out.

AN HONOURABLE MEMBER: Inaudible.

MR. EARLE: It ran into some trouble. I do not know what.

On motion subheads (1902-02-03) to (1903-03-01) carried.

CAPT. WINSOR: Hold there, Mr. Chairman. Hold there for a little.

Can the minister tell us on the grants for local councils, what is the per capita grant now for local councils?

MR. EARLE: (1903-03-02)? Yes, I can give them details on that.

Local crown revenue grants this is, provision to pay revenue grants to municipalities: Payments are based upon local tax collections. The grant is paid monthly upon receipt by the department of a list of tax collections from the municipalities. The grant is paid on the following basis: Two dollars for every dollar collected locally, up to \$1,000. One dollar for every dollar

collected locally, \$1,001 to \$5,000, and ninety cents for every dollar collected locally, \$5,000 to \$15,000. Seventy cents for every dollar collected locally, \$15,000 to \$25,000. Fifty cents for every dollar collected locally from \$25,000 to a maximum of \$100,000. The maximum grant is \$100,000. There are only comparatively few places that qualify for that size grant.

CAPT. WINSOR: Has there been any increase?

MR. EARLE: Yes, the maximum was increased from \$75,000 to \$100,000 recently, in recent years.

On motion subheads (1903-03-02) to (1903-03-06) carried.

CAPT. WINSOR: Mr. Chairman, paving grants - how were these grants paid to the council? I understood that the Department of Highways or Transportation and Communications would pave the streets through the incorporated towns. Has that changed now, and the councils are supposed to pave their own streets?

MR. EARLE: Yes, this is the fifty-fifty deal on roads, upgrading and paving within communities, that this government reintroduced. It was done for some years by the previous government and then was dropped. We have reinstated it, the fifty per cent contributed by us and fifty per cent by the local council, on loan basis. This is usually either done by the local council themselves or they may let out a contract for it to somebody. This is the usual method of handling it, if there be a local contractor in the area.

CAPT. WINSOR: Mr. Chairman, this can be a very heavy financial strain on a town council because unless that road be upgraded and brought up to a certain standard, there are very few councils in Newfoundland or Labrador that can afford to bring that road up to a standard where it could be paved. Are there any stipulations where a road should be in a fair condition before the councils take over? I think the honourable member perhaps knows which road I have in mind. That particular council finds it very difficult to do any upgrading or maintenance there, yet because the department has told them that road is the responsibility of the council, they just find it utterly impossible financially to do anything with it.

So, even with the fifty-fifty, unless that road were brought up to a half decent road it is going to be a terrific strain on council.

MR. EARLE: I think I know to what road the honourable member is referring. He is probably talking about Fogo. In some places such as Fogo, where one may say that practically new roads have to be built because the old roads that are there are certainly not in any state even with a moderate effort to be brought up to paving conditions, there is a very heavy expenditure involved which is quite beyond the capacity for the local council to bear.

We have in the past in such instances given special grants, in co-operation with the Department of Highways or Transportation and Communications. Actually the minister of that department and I myself are trying to work out a completely new programme of road upgrading in local communities. This is a programme which we hope to present to government, which would give it a different formula altogether, based on mileage rather than on the number of people involved. If we should be successful in getting this one accepted, it would make quite a difference to the communities because there are many, many councils throughout the province that simply cannot maintain nor keep up the mileage of road under their care; they just do not have the money.

When it comes to building what one might term entirely new roads, it is quite beyond their capacity. We are hopeful that we can come up with a scheme but there is a great deal of money involved in this, particularly in some places where very little has been done over the years. I do not know when I will be ready to give the proper answer on this but there is a tremendous amount of money to be involved in doing this job properly.

On motion subhead (1903-03-07) carried.

MR. W. ROWE: Mr. Chairman, if Your Honour will pay some attention to the proceedings and tell the honourable House Leader to take his place as is his duty. Mr. Chairman, \$7 million for water and sewerage systems: That would be in the nature of subsidies, would it not, to various councils which want to put in water and sewer systems? Would the minister indicate how much of that \$7 million is for work contemplated to go ahead

this year? Obviously a portion of that would be subsidies to the councils on the new work. How much of it represents subsidies being paid to councils for existing works that the government is subsidizing and has been subsidizing for the last number of years?

MR. EARLE: This vote, Mr. Chairman, represents the subsidies really paid on existing systems and systems being built. There is practically nothing in this for assistance for new systems. I explained the other day that where we install new systems, they are done by means of guaranteed short-term loans which are later turned over, by the Municipal Finance Corporation, into bond issues. So, this vote does not cover that sort of an operation. This is merely to pay the subsidies.

MR. W. ROWE: Well, what accounts for the great increase from last year's revised estimate of \$3.4 million up to \$7 million, a hundred per cent increase? There was not that much work done last year. Does this mean that councils are having to receive more in the way of subsidies? They cannot handle the amount that they undertook to handle themselves? What is the explanation for it?

MR. EARLE: No, Mr. Chairman. There has been a great increase in the number of systems in the last couple of years. As I revealed earlier in my remarks, we spent, I think it was \$26 million in the last two years, on new systems, some of them under very heavy subsidies. So, this represents an increase in the number of systems and the size of the subsidies, not an increase in the size of the subsidies of the old systems but an increase in number and size.

On motion subhead (1903-03-08) carried.

MR. W. ROWE: You are going a little too fast, Mr. Chairman. I humbly and respectfully suggest to Your Honour that you go a little slower so that members can have an opportunity to say something.

MR. CHAIRMAN (MR. DUNPHY): If the honourable member could rise a little faster, possibly I should see him.

MR. W. ROWE: What can one say? Even the Minister of Industrial Development finds that funny.

Mr. Chairman, there seems to be one or two overall grants, section (03) here, there seem to be one or two funny little headings.

Special assistance grants is the one we are on now. A little further on down we come to special projects, capital, and all this sort of thing. Over further we have, when we come down to the other subheads, other little subheads of expenditure. Will the minister give us some explanation? What is a special project? And what is a special assistance grant?

Special assistance grants would be not in the nature of capital. It would be in the nature of some current account grant given to a council to run some operation or other, and the special projects is characterized as capital, capital expenditure. Are those two related in some way Or are they separate? What is the distinction between them, Mr. Chairman?

MR. EARLE: Yes, I can explain this, Mr. Chairman. They are not slush funds for the federal election, in case the honourable member were worried.

Actually (1903-03-09), these special assistance grants are to assist municipalities in providing essential municipal services such as local road improvements, purchase of equipment, snow clearing, maintenance of fire fighting equipment, etc. This is the sort of small grants that we give to all the councils from time to time.

Now, if we go on to the next one, special projects, capital; that is (1903-03-12):

This is to finance projects approved under the Federal Capital Works Programme. The federal government pays for one hundred per cent of the cost of labour incurred on project during December to May and fifty per cent of the cost of labour incurred during June to November. I think if he were to look at the revenue a little later on he should see that of that amount of \$650,000 we get back from the federal government \$400,000. This is, we financed it in the first place then later on we claim on the federal government and get repaid; not all of it but \$400,000 of the \$650,000.

On motion (1903-01) to (1903-04-05), carried.

On motion 1904-01 through 1905-02-05, carried.

MR. WM. ROWE: Mr. Chairman, 1906-01 - salaries, for this head called Water Services, is this just for unincorporated communities Or is there some grants or assistance of any kind given to communities which do have a community council or a town council? Is this the old Community and Social Development water services?

MR. EARLE: No, this is just unincorporated communities.

MR. WM. ROWE: Just unincorporated communities. What is this repayment to DREE a little further down, Mr. Chairman, under operations? \$255,000 - Repayment to DREE.

MR. EARLE: These particular assistances refer to the ERCO or repairs to the siphoning system, expenditure for repairs and maintenance of the siphoning system, the industrial water supply for ERCO at Long Harbour - \$20,000. The Gaultois salt water system, provision is made to increase the pumping capacity of the salt water system at Gaultois - \$80,000. Witless Bay, the need to provide a fresh water system to serve the Newfoundland Quick Freeze Plant at Witless Bay will entail the construction of a reservoir as well as installation of distribution lines and pumping facilities to Witless Bay, at an estimated cost of \$175,000. There are two others I missed before, Baie de Verde - the completion of additional ground water supply - \$100,000. Stephenville - due to the necessity to provide additional fresh water supply for the fish processing plant and to meet the demands of the linerboard mill, the provision of an additional supply is needed. Provision is also made for studies and start of

construction - \$50,000.

MR. WM. ROWE: This is just for unincorporated communities. That is not correct. In fact it is for unincorporated communities and also for the last tag-end of the old ADB situation, is it? Services to fish plants, water assistance to fish plants under the old federal programme, the name of which eludes me at the moment, there being so many. There was ADB, ADA, ARDA, DREE, FRED.

MR. EARLE: I am sorry, I gave him the wrong number. It is 1906-03-05, I thought we passed (04), but 1906-03-04 - Repayment to DREE. These systems were installed by DREE and the province now has to repay fifty per cent of the cost. This covers ERCO, Fortune, Trepassy and Stephenville. That is (1904).

MR. WM. ROWE: So it is not just unincorporated communities, as the minister said when I first asked the question.

MR. EARLE: Well, no, we were talking about (01) there, when he asked that question.

MR. WM. ROWE: Well Water services - salaries, I assume that is for the whole operation there.

MR. EARLE: Oh yes, it is for the whole operation.

MR. WM. ROWE: Yes, when I asked the question then, Mr. Chairman, whether this was for unincorporated communities, the minister said, "Yes." Now it turns out we are talking about assistance to fish plants and everything else.

MR. EARLE: A small part of the salaries covers this too, this operation.

MR. WM. ROWE: Right! Okay! I just want to try to ascertain, Sir, how much money is going to be available this year for unincorporated communities, because there are a number in my own constituency, and I know that members on both sides of the House are looking forward to receiving money.

MR. EARLE: That comes under 1906-03-01 - \$600,000. It is up from \$435,000 last year.

MR. WM. ROWE: Right! What about water systems, operations and contributions to water systems, how do they all fit in together, Mr. Chairman?

MR. WM. ROWE: (03-01) says Community Water Services - \$600,000.

I assume that that is for unincorporated communities - \$600,000,
A little further down, Sir, if I have the indulgence of the committee,
we have (03-03) Water Systems Operations - \$400,000, and then (03-05)
we have a capital amount - Contributions to Water Systems - \$425,000,
I am just wondering what the distinctions between those three are?

MR. EARLE: Well to break it down, 1906-03-03, that is the Water
Systems Operations, to provide for the maintenance and operation of
twenty-five Atlantic Development Board water systems. This includes
the overall of equipment, power costs, operators' salaries, etc. The
capital account of \$425,000 I just gave him. This covers Baie Verte,
Stephenville, ERCO, Gaultois salt water system and Witless Bay.

MR. SIMMONS: Mr. Chairman, first could the minister indicate the
reason for the more than doubling in the amounts there, from \$50,000 for
salaries to \$118,000 this year?

MR. EARLE: The reason for that, Mr. Chairman, is that this is the
first year that we have taken over the DREE water systems, They were in
another department before and we have taken over the staff, paying the
salaries.

On motion 1906-01 through 1906-02-03, carried.

CAPT. WINSOR: (1906-01) Mr. Chairman, maybe the minister can give
us some explanation there as to how much work or how many artesian
wells will be drilled in certain districts. Last year I recall the
whole of Fogo District had an amount of \$5,000 for a water supply and
now that amount has been increased by \$165,000. Judging from the small
amount that we had made available to us last year, there is going to be
very little again this year and there is no greater need in many of the
small communities, especially in Fogo District and other districts as well
than for a good source of drinking water. So, Mr. Chairman, maybe
the minister can tell us how many districts will be able to get that
source of water supply by the additional amount of money which is shown
here, up from \$435,000 to \$600,000, which is \$165,000. It is a very

meagre increase and where the demand is so great, could the minister tell us how many or what communities, especially in Fogo District, would get the benefit of that additional amount?

MR. EARLE: Yes, Mr. Chairman, these small water systems vary in cost from \$5,000 up to \$20,000. I anticipate that the amount voted this year will allow us to do approximately 100 new systems, one way or another. Now where they are going to be I do not know at this stage.

CAPT. WINSOR: Under the new rules?

MR. EARLE: Yes.

MR. WM. ROWE: Mr. Chairman, before my colleague gets up; last year, Sir, we had this scandalous spectacle of a public servant in the minister's department sending out a letter to various members of the House, I believe my colleagues made mention of it earlier, sending out a letter saying \$4,500 has been cut out for our district, or \$10,000 has been cut out for our district for community water services or for unincorporated communities who want water; "Please indicate what community you would like to have this \$4,500 spent in."

I sent a letter back to that gentleman in which I gave him a brief outline, a sketch of who and what have responsibility under the system that we are operating. I said to him, Sir, that it was very presumptuous of him to contact a member of the House and try to force upon him a judgement of Solomon, to favour one community over another and that it was the government's responsibility to make decisions of that nature.

Now are we going to have the Department of Municipal Affairs sending out a similar type of letter this year, asking a member of the district to choose between say Wild Cove on the one hand and Jackson's Arm on the other, as to who is going to get water to drink? I hope the minister has seen the folly of his ways, or at least he has chastised the public servant concerned so that we will not have that kind of thing happening again and the government will itself, based upon proper rationale and criteria will decide itself if there be a limited amount of money, where the money is going to be spent, based on the

number of persons concerned, the arduousness of the situation involved all these types of things. Because this \$600,000 if it should be divided among forty or so districts again this year, is not going to come to very much money. It comes to some \$12,000 or \$15,000 per district.

But in any event, I do hope we can have the minister's assurance that we are not going to have public officials calling upon the members to decide who is going to have water and who is not going to have water. I would like to hear the minister's assurance on that.

Could the minister also indicate; this \$600,000, will this just about take care of, to a large extent, the outstanding communities, the smaller, unincorporated communities which do not have adequate water systems? If not, how much money is needed? Based on the best advice that the minister's staff can give him, how much money is needed to put in, not elaborate water systems, but whether it be artesian wells or the plastic hose type of operation where people put in their own laterals at their own expense? The minister indicated this is not enough. How much money is needed to provide a basic, unadorned, unembellished water system for the smaller unincorporated communities around the province?

MR. EARLE: Yes, Mr. Chairman, I give an absolute guarantee that there will be no similar letter go out this year. The trouble was that the gentleman who sent out that letter was very poorly trained, under the Department of Community and Social Development, when the member asking the question was minister. He has learned now that he is not going to be sending out letters of that type. So we will correct that situation.

But quite apart from that, as far as doing all of the small water systems for which we have applications and which need to be done, quite frankly this only scratched the surface. I gave an estimate this afternoon which, while it was a ballpark figure, was by no means exaggerated. To do all of the systems which need to be done and what we should do, would, I estimate, cost somewhere between \$15 million and \$20 million.

MR. WM. ROWE: This gentleman, I was speaking half jocularly, but this gentleman to whom I refer, the public servant to whom I referred is a first rate public servant. He may be a little weak on constitutional law and the division of responsibility and all this sort of thing, but a first-rate man and a man who is starting to become, for some strange reason or another; although his funds are severely limited, he is starting to become, to a limited extent at any rate, the darling of the various delegations that come in to see him because he is straightforward, he does explain things properly and he is eager to move out around the province and try to survey the situation. A first-class man and I would not want to say that he is not doing his job. He is strong on the technical end, strong on forthrightness, a little weak perhaps on the constitutional aspects of government.

MR. SIMMONS: Mr. Chairman, before we leave this item I would like to raise a question with respect to the proposed water system or the need of a water system for MacCallum. Unlike the letter that was written by the public servant to whom my colleague referred, I have a letter that -

AN HON. MEMBER: Inaudible.

MR. SIMMONS: Such tremendous concern that fellow has, I am always impressed by his great concern for all sides.

MR. WM. ROWE: We are going to hear junior's maiden speech tonight so -

MR. SIMMONS: Not a chance, not a chance! Mr. Chairman, I would like to refer to the matter of the need for a water system at MacCallum, as soon as the teddy bear shuts up -

AN HON. MEMBER: Inaudible.

MR. SIMMONS: That is unparliamentary. He is in a good mood tonight. I was going to say that while my colleague referred to a letter which the minister managed to blame on the lack of training, etc., etc., I have another letter that the minister cannot blame on anybody because he signed it himself. I have a copy here, if he want to see it. The letter

was written on November 5 and it said in part: "This government is very much concerned that your community be serviced with a water system before winter sets in," November 5, 1973.

MR. EARLE: Inaudible.

MR. WM. ROWE: It is a familiar month.

MR. SIMMONS: It is a familiar month and a familiar date; even the minister realizes the significance of it. He may have even realized the import of it when he wrote the letter, Mr. Chairman, but that is for him to say. It was written on November 5. There were other events that took place about that time, like the calling of the Hermitage by-election, about three days before that, the weekend prior. This was written on the Monday. But whatever the motivation, the fact is what is important, the fact that the minister has gone on record as saying that he was determined to have a water system in MacCallum last November. Well, winter has come and winter has gone and all the people who are drinking the water in MacCallum know there is no water system there. They are doing what they have done for a good many years. In the winter they get aboard their dories and go around the point toward Pushthrough and fill their barrels full of water. About this time of year they drink surface water and as you will recall, Mr. Chairman, from the contents of the petition which I presented to the House a week or so ago, the water at MacCallum right now, the drinking water is just not fit for drinking purposes. Indeed it has been tested on a number of occasions by Department of Health people who declared it to be quite unsuitable for drinking purposes.

What I said on the subject of MacCallum's need for a water supply is not at all very new but I find it necessary to repeat it because I have not had a single response from the minister on this particular subject. I would hope that he would address himself to the subject. It is a pressing matter. He has had a number of representations on the subject and I am aware of the studies that have been done and I am aware that one route would be a very expensive one in terms of putting a water system there if they are to use the Brandy Pond source. Brandy Pond, the one he referred to as Big Pond in his letter but known locally as

6034

6034

Brandy Pond; nice name for a water supply you have to admit.

MR. WM. ROWE: Does it live up to its name?

MR. SIMMONS: It may well in time to come. But I understand that the system from Brandy Pond would cost, according to the engineer's figures, in the vicinity of \$500,000. There is another proposal of course, to use wells, a proposal that has never been properly checked out to determine its feasibility.

The minister will tell us and rightly so, that there was equipment in there last fall, at some time subsequent to the writing of this letter, between that and November 26. That is true. It is also true that the equipment that was in there was not capable of doing the job assigned to it. That, secondly, it was in there against the advice of engineers, that the minister or his representatives, whoever made the decision, the minister was advised against sending in that equipment because it was not suitable.

The people of MacCallum maintain and I maintain and a number of engineers who are familiar with the community

maintain that the proposal to provide a water system through wells has not been adequately tested to determine its feasibility.

I believe, Mr. Chairman, that the people of McCallum have been given the run-around on this long enough. It is not enough to hear that this is under advisement and that it is in the long list of water systems. I can well appreciate the demands that are being placed on the department at this time of the year for new water systems. I say McCallum should not be on that list, not on the list of applying communities. It should be on a separate list, a list of communities which will definitely get a water system as soon as possible, within this year. I say that because a firm commitment was made by the minister in writing and by other people verbally speaking on behalf of the government.

Mr. Chairman, since November we have not heard a solitary word on the subject. I would like to hear from the minister as to what is being done at the present moment and what the department's plans are with respect to a suitable and adequate water system for the Community of McCallum.

MR. EARLE: Mr. Chairman, McCallum is quite a story. As the honourable member indicated; first of all, we had sent into McCallum last year top consultants to see if there could be a surface water supply provided for McCallum. They came back and told us that it was literally impossible. We discussed the thing with our water surface division to see if there could be some sort of drilling operation carried on there. They warned me that it would be difficult to drill up there because of the fact that it is such a difficult place. It is almost impossible to get a drill ashore of any size of a drill.

Mr. Chairman, we went ahead anyhow and probably it was at a very facetious time we sent the drill up there to try. We did spend approximately \$10,000 in trying to dig two holes, after it managed to crawl up over the bank a bit, to see if there were any water in these places.

Mr. Chairman, during the period that I was down there with the President of the Council, we landed in McCallum and we saw this thing operating down there. I think if I had known the conditions under which it was operating in trying to find water, it would never have gone in there, because it looked crazy from the word go as far as I could see. There was no hope of getting water. There was \$10,000 literally poured down the drain in trying to find water which did not exist.

Mr. Chairman, in my opinion there is no way of getting a supply of water to McCallum that will be anyway reasonable or sensible in cost. When I was there at the time, the people were talking about it. They were somewhat less enthusiastic I might say about finding water. I said we tried all we could to find it. But then the fellow turned to me and he said, "Of course, you will carry pipes all around the harbour and you will have it over on the southside." I said, "My son, there is not enough money in the Bank of America to carry water on this place." This was in the midst of an election. There is no way one could service that place properly, and I think it is only throwing good money after bad.

MR. SIMMONS: Mr. Chairman, I think it is only fair that we enter both versions in the record. I am not -

MR. CROSBIE: (Inaudible).

AN HON. MEMBER: Really, Mr. Chairman, does one have to tolerate this?

MR. SIMMONS: Unlike the Member for St. John's West, I do not have to depend on political, physical stature for my place in life.

I was not accusing the minister of lying but I did say that I think both versions of the record ought to be entered in. It may well indeed be true that the minister did tell the people at McCallum, even with his frank and dangerous honesty, right in the middle of an election, that it would be prohibitive financially to put a system around the community. That is not what the letter says, Mr. Chairman, November 5. Either he had a change of heart within a week or so or else

a pang of conscience which caused him to level with the people, which one can admire him for.

Mr. Chairman, the letter did not say that they were going to dig a couple of wells. It said that the community be serviced with a water system. Now one is stretching the point if one refers to a well as a water system, I think, you will agree, Mr. Chairman. The clear implication there is that the government was committing itself to a water system.

Mr. Chairman, I am sure the people of McCallum are prepared to have a half loaf rather than none when it comes to a water system. There may be those at the far extremities of the community who would not be quite prepared to lug the water from some wells within the community. That would certainly be an improvement over bringing it in dories from around the point at some considerable distance from the harbour at McCallum itself. The minister was right in saying that there was difficulty in getting this type of equipment around. He did not have to go to McCallum to know that. Anybody who had been there, certainly the engineers, could have advised him on that particular point. Indeed, as I have already said, Mr. Chairman, they did advise and their advice was not acceptable. The equipment was taken in there, small equipment, incapable, in terms of size, of doing the job assigned and consequently they dug a couple of holes. They drilled two holes, one fifty feet and one fifty-two feet. They found a half a gallon of water in one and a quarter of a gallon in the other one. I am not surprised, because the proper equipment was not there. There is a way to get that proper equipment in. There is no road system in McCallum, as we all know. Heavier equipment than drills have been taken into places far more difficult of access than McCallum. I would suggest that if the problem be the mobility of equipment within the community, air lift it in. It is only a reasonably short distance from Hermitage. It could be hooked on to in Hermitage and air-lifted in and dropped on the very spot where the drilling is to take place.

Mr. Chairman, if this possibility have not been looked into, I certainly commend it to the minister and indeed ask for his reaction to it, either now or when he has a chance to check it out with his officials.

Mr. Chairman, I am firmly convinced that the effort has not been made here. There was a flurry of activity last fall during the election and the people were led badly down the garden path on this one. We hear the minister tonight as good as admit that he has given up on it. That is not good enough. I urge upon the minister that he look into the possibility of having proper equipment, sufficient to do the job of drilling, air-lifted into the community and assigned to drilling some wells this summer.

MR. EARLE: Very briefly, Mr. Chairman, all I can say is that if water had been in McCallum, we would have found it and they would have had their water system by last winter. We spent enough money that would normally put a couple of good wells in there or in any normal place. We proved to ourselves, conclusively, that there is no water there. There is no way of doing it. To suggest that an air lift drop a heavier drill or something of that nature down there is simply crazy. As I said, it would be throwing good money after bad and I would be crazy to suggest such a thing. I think we proved one thing and that is that there is no water in that settlement, and that is that.

MR. F. B. ROWE: Mr. Chairman, after some tedious questioning this afternoon, the minister did indicate that his department has voted or will vote \$600,000 for water systems in unincorporated communities where the preliminary cost estimate is, what he said, \$20,000,000. That is \$600,000 for a \$20,000,000 need.

Now, Sir, we have firmly established here in this committee tonight and during the by-election in Hermitage that by-elections do constitute a very strong criterion for the installation of a water system.

I wonder if the minister could indicate to the committee what criteria the officials of his department and the government will be using for deciding upon where the installation of these water systems will occur during the coming year? As I mentioned in my remarks, the preliminary cost estimate for the water systems in my district alone, which is one of the smallest districts in the province, is exactly one half of the total vote in this particular head. Could the minister indicate what the criteria will be for the installation of the water systems? Will each district get an equal share? Is the minister prepared to table a list of the communities in this province which will have these water systems installed during the coming year?

MR. EARLE: Mr. Chairman, as far as criteria in water systems, whether they be small water systems or large water and sewer systems, we are attempting to work out a proper formula for the installation of all systems. This will be based on several pertinent facts. First of all, the size of the place, the need, the conditions and the cost of the system, weighing all these things. Now there are a number of places where there is nothing but polluted water available for the people to drink. I know of one community that is howling its head off at the present time for a water system. The normal coliform content of water, when it exceeds a count of four, it is usually condemned by the Department of Health. There was a count of 160 in the wells that have been examined. The conditions there are pretty bad. That would be one of the conditions under which we would consider the need for a system.

As I think the Hon. Member for Labrador North mentioned, one can tell people to boil water and that the water they are drinking is a hazard but one cannot go into everybody's kitchen every day to see if they do boil the water. In many cases where they have been warned time and time again, they are still drinking the water. There is great danger of an epidemic or fatalities in some of these places. That is the first thing; the health needs of the people.

The next thing, of course, is the size of the population, the number of people we can serve. Then there is the engineering, as to whether or not it is possible to do it at a reasonable cost. Not all places are the same. Some places one can go in and lay out a system at a fairly reasonable cost but in other places one can go half the distance and it costs five times as much. This has to be taken into consideration.

Mr. Chairman, all of these things give us a criterion for the systems. Now it may be interesting that governments do not always do things right. There have been many things done under political expediency. There has been one thing rather strange. I note this, that in any place that water systems have been installed in the past and we have put them in, quite unlike places where public wharves have been built just before the people left, no people left that place immediately afterwards. Perhaps our score is not too bad after all.

MR. F. B. ROWE: The last part of the question I asked, Mr. Chairman, is the minister prepared to table a list? I take it the department is not ready to indicate to the committee what communities will receive water systems or a start made on the water systems during this coming summer. Can the minister indicate when the department will be ready to indicate what communities will be involved in this? Probably I could ask one further question, Mr. Chairman.

Mr. Chairman, I take it that my own district is not totally unique in the sense that there are a great number of small communities without water systems. In view of the fact that the minister indicates that there is a \$20 million need for those unincorporated communities, the fact remains that during the summer months we do have a pollution problem in many of these communities, particularly in ST. Barbe North. As a matter of fact the nursing station in Flower's Cove, the water going to the nursing station is contaminated. It is not fit to drink. Has the minister thought of or conducted any studies

into the possibility of checking out the feasibility, the economic feasibility and I suppose the technical feasibility of purchasing a few water trucks and putting them in certain rural areas of our province so that water can be delivered? I do not know if it need necessarily be delivered to each individual home. When there are thirty small communities with approximately twenty-five of these communities without a water system and if the government cannot afford to come up with the funds to establish water systems in these communities, would the minister consider the idea of purchasing a few water trucks so that these trucks can go to an area where one can get uncontaminated water and have it delivered to some specific location in those communities so that the people can use it? The problem is the purity of drinking water. It is as simple as that.

Mr. Chairman, I had a great number of cases of people having to go to the St. Anthony Hospital last year simply because of the water system in - I will not name the community. In some communities in my district the water was the direct cause of young children and young people in general being shipped off to St. Anthony Hospital to be pumped out and to spend a few days there to recover.

Mr. Chairman, I would like for the minister to comment on the possibility or the economic feasibility of getting some water trucks into these areas. During an emergency situation certain communities have had the services of a water truck. I consider the situation, at least in my district, to be an emergency situation. Presumably the same thing is true in other rural communities and I would like for the minister to comment on that.

MR. EARLE: Mr. Chairman, on the question of whether I am prepared to submit a list of places, it will be some time before I will have such a list ready. We have a great many applications for these small systems. I have pages, lists of places that we will be looking at. Some of them, of course, I presume already have higher priorities than others. This is tied up very closely with the operations of the department as to when and how we can have men available to go into the field in these places and do the jobs. Throughout the season

We work it out in rotation to try to be able to service the places. A little later on, we will have a better idea as to what places we can tackle. At the moment, I do not have the faintest idea of which ones we will do.

The idea of water trucks; we have tried these. In fact we suggested them to a number of councils. The reaction has not been good except when there is an emergency. In winter conditions, when pipes freeze up in a number of these places, they are very happy to avail of a water truck. During the normal season, when everything is unfrozen and there is water available, we have not had much of a reaction or any requests from councils for this type of service.

AN HON. MEMBER: (Inaudible).

MR. EARLE: Even in these places.

I guess it is a matter of organization in unincorporated places. There is nobody to speak for them. We have not had any requests for them.

On motion 03-01, 03-02, 03-03, 03-04, 03-05, carried.

On motion 1907-01, 03, 04, carried.

MR. W. N. ROWE: Mr. Chairman, would the minister indicate what this \$6,400,000, which is cut out for capital expenditure by the Newfoundland and Labrador Housing Corporation this year as compared with \$3,300,000 last year, is for? Could the minister indicate what new projects are in order for this year?

MR. EARLE: Yes, Mr. Chairman, this is a very much enlarged

housing programme which was announced in the Budget. Our \$6 million contributions there will enable about \$35 million or \$36 million to be spent in the province in co-operation with the federal government. This covers all of the programmes which I mentioned. The land assembly, land servicing, the small loans programme, the subsidies on mortgages and all of these which were outlined in the Budget come under this particular \$6 million.

MR. W. N. ROWE: Had the minister tabled in the Committee the Budget for this year of the Newfoundland and Labrador Housing Corporation? I know he is required to table it sort of ex post facto at the end of the years, the financial years. Will the minister undertake to give us a copy of it, so we can have some idea what the Housing Corporation intends to do?

MR. EARLE: Yes, most certainly. I thought it had been tabled but apparently it has not.

MR. W. N. ROWE: Well I cannot remember having it tabled.

MR. EARLE: No. I will get it and it will be tabled.

MR. M. MARTIN: I am wondering, Mr. Chairman, if this is the heading under which these 250 prefab houses are going to be purchased. He mentioned earlier that there were 250 prefab housing units that the government were going to purchase from I think the Stephenville company.

MR. EARLE: No, Mr. Chairman, I mentioned that the government had purchased 252 of these prefab houses. That is the total that we have brought from Atlantic Homes over the years. There have been 250 of these houses purchased and installed. That has nothing to do with what we will do this year.

MR. CHAIRMAN: Shall 05 carry?

MR. R. SIMMONS: On Housing Corporation, perhaps the minister could just bring us up to date on what is happening in terms of the takeover of the units at Stephenville.

MR. CHAIRMAN: If the honourable member should permit, we still have to carry 1907-05.

MR. SIMMONS: Yes, well, if you like, I understood it has been taken over by the Housing Corporation.

MR. CHAIRMAN: I understand that the honourable member is directing himself to 1907-05. Correct?

MR. SIMMONS: I understand the administration were supposed to have changed hands as of the 1st. of January but this has not in effect happened yet. Could the minister indicate what the delays might be or if there has been a change of plans or what?

MR. EARLE: Yes, Mr. Chairman, the Harmon Corporation has undergone quite a reshuffle out there. Actually what has happened is that we have set up a new board of directors, under the Chairman, Mr. Frank Spencer, and Mr. Al Vivian, the Chairman of the Newfoundland and Labrador Housing Corporation, is a member of that corporation as is also the present Mayor of Stephenville, Mrs. Fowlow, and one other gentleman out there and Ben Alexander, the manager of the Harmon Corporation.

This has been functioning quite well in the last few months. They have had many meetings. They are getting the corporation into much better shape actually, finding out exactly where it stands. It appeared that there had been only one director's meeting since 1970 of the old Harmon Corporation. So we are now having regular meetings, getting the thing on its feet. What has transpired is that the apartments and houses in the Harmon Corporation are now under the care of the Newfoundland and Labrador Housing Corporation. They are undertaking quite a programme of renovation this year, in fixing up these houses. I cannot remember the exact number they have out there but it is something over 500, I think, on Harmon.

The other industrial buildings out there are being handled by the Harmon Corporation and we are looking into the rental structure of all of these and trying to sort it out properly. We have had proper audits done out there. I think, to sum it all up, what will develop out of this is that during the current year we will probably have a considerable saving on the operation of the Harmon Corporation. I am hoping, as we get the thing streamlined, the Housing Corporation will take care of the housing end of it. What remains of the Harmon Corporation will look after the buildings. There will be a new council election in Stephenville on May 28. The council to be elected will also include what was formerly

the Harmon Area. As far as the employees are concerned out there, we are waiting to see what employees the Harmon Corporation will need and what the new council which encompasses the whole area will need. But we think that they will all be taken care of and that between the new council, the Harmon Corporation and the Newfoundland and Labrador Housing Corporation it will be a much more efficient operation.

MR. SIMMONS: Mr. Chairman, the subject of the Housing Corporation again. It has taken over I understand approximately 600 units in Stephenville. It has others already, throughout the province. I am wondering what the policy of the corporation is on the matter of rentals, the setting of rentals for its various units? It is obvious that it is fast becoming a landlord, a big landlord, if you like, in terms of numbers of units. Is it its policy to rent at the going rate to match the market in terms of rental rates or is it the policy to just recover the investment without any effort to realize the profit? If on the other hand it is to raise a profit, to make a profit, what is happening to any dividends any profit which is being accrued? Is it being pumped into the activities of the corporation or is it going into the government, general revenue?

MR. EARLE: The rentals of all of these units whether they be it the Harmon Corporation or elsewhere in Newfoundland is suppose to be on an economic basis of paying them off or amortizing them over a period of years. Actually the people living in the Harmon Corporation apartments, for years there they got a very free ride indeed; they had extremely cheap rents in that particular area. They are not realistic rents at all by today's standards. You would find the situation out there where people were living in good accommodation on the Harmon Base that have relatively cheap rent where their cousins and their uncles and their aunts were living within a half mile radius of them paying a proper rent. The rents have been adjusted but they are still, in my opinion, cheap. The scale is available to anybody who wishes to see it but the scale of rents out there on today's standards is still quite cheap.

The fact is that the Newfoundland and Labrador Housing Corporation is not out to make a killing or a large profit. It is out to maintain the apartments in good condition, to do proper servicing and to look

after them. The Harmon Area in particular is not a particularly cheap area to operate. It was a former military base. Military bases as such, they operate without any idea of what the things cost and they did not watch it very closely. So for a civil organization to take over a military base and operate it as a business concern, it is not particularly cheap but I think that the tenants out there still are getting quite reasonable rents under today's standards.

MR. CHAIRMAN: Shall 1907-05 carry?

On motion 1907-05 carried.

MR. CHAIRMAN: Shall 1907-06 carry?

MR. SIMMONS: On the subject now of the Harmon Corporation, the minister has indicated there has been some re-organization, restructuring apparently and in particular, the rental units have been taken out of the jurisdiction of the Harmon Corporation. Perhaps the minister could indicate to the Committee what is the function now of the Harmon Corporation, is it the responsibility? Are its functions confined to administering the industrial properties? Or is it, as I believe it was at the beginning, an agency to attract industry to the Harmon Area? What is the minister's view? What is the new function? If it is changed? What is the function at the moment of the Harmon Corporation?

MR. EARLE: At the present, Mr. Chairman, it is literally a caretaker organization while the transition is taking place. I would visualize that as the thing functions properly out there, with the Newfoundland and Labrador Housing Corporation playing its part, that the Harmon Corporation as such would develop into quite a small operation with quite a small staff. I am told by the directors out there that this will probably come down to a staff of perhaps ten or a dozen people at the most to look after or what they had to look after, which is the industrial buildings and so on.

I think most of the work in future will be done by the Newfoundland and Labrador Housing Corporation and the new town of Stephenville.

MR. W. N. ROWE: I am surprised Your Honour has not left the Chair to participate in this particular debate. In any event, if that be so, why is the grant to the Harmon Corporation up from \$530,000 to \$630,000 this

year? If the Harmon Corporation were being stripped and divested of its powers and its responsibilities one would have thought that by this time next year, you know, it would be down to a skelton staff, that the amount needed would have been substantially less than last year, So why would the amount be up, Mr. Chairman?

MR. EARLE: This actually, Mr. Chairman, was the budget which was prepared by the old Harmon Corporation some months ago. It may be subject to revision later on but at the present time the complete system and auditing and so on has not yet reached a point that we can tell exactly what the amount will be. There may be some savings in this, hopefull there will be, but they have gone through the heavy months of the winter with snowclearing and maintenance and this sort of thing. I am not anticipating a tremendous saving but there should be some.

MR. SIMMONS: Mr. Chairman, just before letting this head pass, let me record my disappointment over the development here, the development that we have learned about, the transition, the phasing out, the fading out, if you like, or the demotion of the Harmon Corporation from that of an industrial catalyst which I believe was its initial function. It certainly had some caretaker functions as well, some administrative functions to look after the several dozens of properties that were inherited by the provincial government when the Americans moved out some years ago but in addition to that caretaker function it had another clear function which I believe was its main function, that of being an industrial catalyst, that of attracting industry to the Stephenville Area.

We all know that a fair amount was done in the years since 1966 when the corporation was set up, about that time. We all know a fair amount was done by the former Liberal Government and in particular by the Harmon Corporation, to attract a number of industries to the area, some of which are continuing, some of which are not. Whatever the success, the batting average, if you like, the fact remains that there is still a need, a big need for the kind of corporation, the kind of corporation

that the Harmon Corporation was in the beginning, a body whose prime assignment is to attract industry to area of population as large as the Stephenville Area. I am most disappointed to hear this de-emphasis which is being reflected in the minister's comments, this admission I suppose it is. It is some kind of an admission on the part of the minister that this function is no longer required and that, in his own words, the Harmon Corporation is now merely a caretaker agency. I am not going to beleaguer the question of whether caretaker agencies are needed. That is quite a different subject and somebody has got to administer these industrial properties certainly, but I do say, Mr. Chairman, if you were not in the Chair, you would probably be saying the same kind of thing. I say it is very regrettable that government have seen fit to abolish, essentially do away with what was a proven thing, what had proven itself over the years in terms of its ability to attract industry to the Harmon Area.

AN HON. MEMBER: Inaudible.

MR. SIMMONS: Well, Mr. Chairman, it is the whole case all over again, Mr. Chairman, where this crowd continues to throw out the baby with the bathwater, no thought that perhaps if the operations were a little bit too expensive, if the corporation were going about things a little bit too expensively, a little too elaborately, no thought at all on their part that perhaps there is another way to do it. They quickly jump to the conclusion that since it is a bit expensive then it cannot be done. I say, it can be done. It is proven that industry can be attracted with this kind of mechanism such as the Harmon Corporation set out to be originally.

I am disappointed beyond words to hear that the real function, the primary function of the Harmon Corporation has been destroyed, has been abandoned and that it is now just another real estate, another landlord. That is a worthwhile function but it is certainly not the very reason that the business was begun some years ago. I would make a strong plea for government to regain its senses on this particular point and either reassign to the Harmon Corporation those functions which really

justified its existence in the first place; namely, their function of being the industrial catalyst, or if not the Harmon Corporation, to establish another agency whose role would be to attract industry to the Stephenville Area and indeed to other areas of the province.

MR. CHAIRMAN (DUNPHY): The Hon. Member for Port au Port.

MR. F. STAGG: Mr. Chairman, I wonder if I might have a few words on this.

MR. EARLE: Inaudible.

MR. STAGG: Yes, go ahead.

MR. EARLE: I cannot resist answering this one because perhaps I did not explain myself very well but the temptation here is really to show that the thing is being done properly at last. Mr. Frank Spencer, who is Chairman of the Harmon Corporation, is also Chairman of the Newfoundland and Labrador Industrial Development Corporation. His whole function in life is to attract industry. This is one of the reasons, this is the main, the prime reason why he was appointed Chairman of the Harmon Corporation, so that he could encourage industry and hopefully industry on a sensible basis, not indicative of some of the stuff that we discovered out there, which we are trying to correct, where a building was costing \$48,000 with \$2,000 rent and this sort of thing. It has been such a ridiculous shmozzle that when all the facts are revealed I think everybody will hang their heads in shame. Mr. Spencer is doing an excellent job so far. His prime purpose in life is to attract industry to Harmon, and while I said it will be a small effort, it will be small but very efficient.

MR. CHAIRMAN (DUNPHY): The honourable Member for Port au Port.

MR. STAGG: I find it very interesting that the Member for Hermitage has set himself up as the defender of the Harmon Corporation and failed to listen to any of the comments made by the honourable minister, in getting up and misconstrued them completely.

The whole idea behind the Harmon Corporation has been well documented. It is a corporation that was set up to phase itself out of existence and once it had brought in sufficient industry and had the area sufficiently

underway it would quietly fade away.

The history of the Harmon Corporation is a rather sorry one, where politically expediency was the order of the day. It was used as a showpiece, an ostensible showpiece for the Gargantuan ideas of the previous administration. I can recall there during the heavy days of October 1971, when at least two or three industries were opened up, neither one of whom employed in the final analysis five per cent of the people that they were alleged to employ, like RMO industries as one. That was suppose to employ 200 persons, it opened I think . October 14, 1971, with a fair amount of fanfare as did several others. Indeed it was used in such a shoddy way that a lot of us became a little ashamed of it. Now with Frank Spencer and Don Powell, who is a chartered accountant living in the Stephenville Area, the Mayor of Stephenville; Mr. Vivian and the general manager, Mr. Alexander, that is who, a working body that deals with applications under merits; the real merits, not only their political merits. I am very pleased with the job they have being doing. It was one of the main things that I have being praying for for sometime, to get that corporation activated so that the industrial potential of that Stephenville Area and Bay St. George Area in general would be focused around the Harmon Corporation, I think that is being done.

Well, for the Member of Hermitage to mislead whether deliberately or not, I would suggest not deliberately but certainly his comments if they went unchallenged, were misleading. If the honourable minister and the Harmon Corporation are successful in phasing down the number of people who are directly employed with the Harmon Corporation to ten or twelve, that will mean that the buildings that presently require a fair number of people to maintain them will be maintained by industries which will be looking after their own overhead and maintenance and that sort of thing.

So consequently it will become a supervisory body and will have a growing industry around it. So the idea

the member is trying to make political hay out of it, which I suppose is his right, but certainly it is going to be challenged by me. If he should want to carry this argument into the public airways later on, he shall find a ready defender of it in the member for Port au Port. Thank you.

MR. SIMMONS: I do not know why the member for Port au Port got so worked up. I am on his side. The fact is I did mislead. He is right. I did mislead and I will tell him why I misled, because I was first misled by the minister. The tapes will show, Hansard will show, if typed up correctly, that the minister said in answer to my question - when I said to him, "What is the present function?" He replied, "It is merely a caretaker function." These were his words, almost word for word.

It was in response to that, because I was very surprised, and I was glad to hear the member for Port au Port put the record straight. I was glad to hear the minister subsequently get up, just prior to the member for Port au Port, and kind of put the record straight after giving a contradictory answer before that. The member for Port au Port is dead right, and I am with him.

I would have been misleading the committee if my words went on uncorrected. I want the committee to know that the reason I was pursuing that course of debate was because the minister himself had indicated to me, in answer to a question, that it was merely a caretaker functioning. He used the word "Caretaker", Mr. Chairman. I was shocked, I was surprised because I had been of the opinion, as the member for Port au Port has been good enough to confirm for me, that indeed the main function - I said this two or three times - was to act as an industrial catalyst. I was happy for that function.

I admitted in my comments that all was not well and that things had not all worked out. All the industries had not worked out as well as they should have and that kind of thing. That was beside the point I was making. I was lamenting the news that the minister had given me that the Harmon Corporation had been reassigned a new function, that of being a caretaker, a real estate landlord. I said that that was wrong and it was lamentable. I still say so but

I have since learned, after prodding the minister, that is not the case.

First he tells me that its function is one of being a caretaker only. Then after having made some comments he realizes that he has indeed misled the committee and he gets up and is man enough to correct himself and say that it has two functions, which is the answer I was looking for in the first place. It has two functions, a caretaker function insofar as being a landlord, an administrator of industrial properties. At the same time it does have some assignment in the role of an industrial catalyst.

In case the member for Port au Port misunderstood what I said, I was not attempting to make political hay. He is anxious to assign motives. I will let him off on that one for this time. I do not care what he thinks my motives are. I do know, Mr. Chairman, that had I allowed the minister's statement to go unchallenged that this committee would have believed - now the member for Port au Port would have known differently because he is so intimately acquainted with the problem - but the committee as a whole would have gone out of here with the impression, right from the minister's own mouth, that the Harmon Corporation's function was merely a caretaker function.

I took him at his word but I found it difficult to believe. I found it shocking and so I addressed myself to the need for the Harmon Corporation to continue to have the function of an industrial catalyst. I am delighted to hear, after prodding the minister on this point, that it does indeed continue to have that kind of function. I am delighted to hear from the member for Port au Port, from his intimate knowledge of the situation, that it does indeed continue to have that kind of function. That was my purpose in pursuing the line of discussion I had.

I repeat that had we not pursued it, we should not have gotten the answer. It is unfortunate, Mr. Chairman, that the minister, either through lack of knowledge or for whatever reason, chose to answer my initial question, as the tapes will show, by indicating that the Harmon Corporation had a merely caretaker function. I found that

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difficult to believe. I am delighted to hear from him and from the member for Port au Port that that was not indeed the truth at all.

MR. EARLE: Mr. Chairman, the honourable member for Hermitage missed a very important word. I am sorry but I said, "During the interim period it was a caretaker organization," which it was; actually while they are trying to straighten things out. I probably neglected to enlarge on the future function of the thing which I have since done. It was strictly a caretaker organization while they were trying to find out just what had been going on out there and in what state it is. It will develop into a full-scale industrial development in one function of its operation.

MR. W. ROWE: I must say, Mr. Chairman, I was a bit surprised myself along with my colleague from Hermitage to see the member for Port au Port scurry out of the Chair, over to his place in the committee, and launch into the worst type of a politically partisan attack on my colleague. One might wonder why we are a little bit jumpy about some rulings from the Chair. I hope the member for Port au Port is not going back in the Chair tonight after that kind of partisanship evidenced by him there.

The fact of the matter is, Mr. Chairman, that the Minister of Municipal Affairs and Housing got up - I will have a candy later, Mr. Chairman, if you can hold on to one - got up in this committee and misled us, I suspect out of ignorance. He did not know what was going on down there.

MR. EARLE: Mr. Chairman, a point of order.

MR. W. ROWE: No point of order.

MR. EARLE: When I am accused of misleading the committee, I think that honourable members on the other side should listen. I said, "An interim caretaker organization," which is what it was. That is not misleading.

MR. W. ROWE: That as a matter of fact is no point of order. The minister knows about as much about parliamentary procedure as he knows about the Harmon Corporation.

The fact of the matter is that he got up here and after I expressed the same kind of surprise that the member for Hermitage did about this caretaker announcement, I said, "How come the amount has

gone up from \$530,000 to \$630,000?" He says, "Oh, well there ~~was~~ this and that went on last year and there will probably be savings."

AN HONOURABLE MEMBER: Inaudible.

MR. W. ROWE: Yes, that is right. "There will probably be savings and everything else," giving the firm impression that the whole thing was being phased out of existence.

Then the member for Port au Port, having taken the minister, having mistakenly and foolishly taken the minister at his word, attacked the member for Hermitage savagely. Very strange developments, Mr. Chairman. I find it hard to fathom in any event because, of all places on the face of this earth, Stephenville and that immediate area do have some cause to be grateful to their own initiative, to the initiative of the previous administration, to some initiatives of the Harmon Corporation, as bad or as good as it might have been, because that community, Sir, which faced certain death when the Americans withdrew some years ago, eight or nine years ago, has now become one of the most prosperous, most vitalized, most vital areas of this whole province.

At every opportunity, the member, rightfully so, of the district which encompasses Stephenville, is competing and vying for attention with Corner Brook, the city nearby, for their just dues. I agree with him whenever he does this, on every opportunity. It is a growing town. It has a great future ahead of it. For him to try to pass off the Harmon Corporation and everything that was done in Stephenville by the previous administration or any other administration or anyone involved there, is pure politics, no efficiency, no concern for the people involved, no rationale, no sense of proportion. This is the impression he gave, ~~was~~ to give a completely false and misleading picture.

The minister mentioned something about a building being rented on Harmon Corporation or the area run by it for less than market value. Well, what did we see last year or two years ago? What is the name of this club in Stephenville or in the environs there?

"Laura Lee Club", where some political hanger-on of the present administration's party - I do not know the fellow's name, I just do not know. I know his politics though. I have had that drilled into me by him and others

besides. This man gets a place which he is renting in competition with other people with similar operations around, for a rent, Mr. Chairman, that one would not charge for a garage, a cheap one-tenth or something of the market value - maybe more but certainly substantially less than the market value or what the market could bear for such a building, such a structure. Let me hear the member for Port au Port -

AN HONOURABLE MEMBER: That was the Liberals.

MR. W. ROWE: No, that was the Tories. This crowd over there, this honourable crowd.

AN HONOURABLE MEMBER: Inaudible.

MR. W. ROWE: No, no. He does not know anything about that.

AN HONOURABLE MEMBER: Inaudible.

MR. W. ROWE: I do not think so. Well, all we heard him talk about was the politics that was played by the previous administration in the Harmon Corporation. Now, I am delighted if the Harmon Corporation, as I hope the Rural Development Association and other agencies of government, get out of the realm of politics and the possibility of partisan influence being used in the operations of these institutions. I am delighted. Hopefully that is the direction that this Harmon Corporation is moving in now, where it will become more or less, I would surmise, a western wing or a Stephenville wing of the Newfoundland and Labrador Development Corporation, with primary responsibility for the development of that particular area, Stephenville and its environs.

I think that is a step in the right direction. That is a good step forward. The minister obviously knew nothing about that. He gave us the firm impression that it was going to be phased out of existence, more or less a caretaker operation until it is phased completely out of existence. As a result, he goaded my colleague into standing up and saying that that was the wrong approach; it should be left in operation so that it could be used for industrial development, which in turn incurred the wrath of the member for Port au Port who got up and savagely vilified the member for Hermitage.

I mean, the minister should do some homework so he does not have the House and the committee in an uproar all the time. Fling out a few facts every now and then, interspersed amongst his

pious hypocrisy concerning the twelve years he spent with Joey's Administration and how he never agreed with a thing that went on there. Let us have a few facts every now and then from the minister.

AN HONOURABLE MEMBER: If he had a few facts, he would be dangerous.

MR. W. ROWE: If the minister had a few facts, he would not be dangerous. The minister is the reverse - "If he had a clue, he would be dangerous" is the old adage. If the minister had a clue, he would be less dangerous, the reverse of the adage. Mr. Chairman, because he would not cause the committee to get into an uproar. He would not cause the unseemly spectacle of the Chairman, the unpartisan, unbiased Chairman, scurrying out of the Chair where he is supposed to be maintaining order impartially in the committee, and launching into an attack on one member of this House.

So, I will sit down now, Mr. Chairman, much to the delight of the minister I am sure. But, get a few facts, fling out a few facts to the members of the committee so that we are not being misled and not butchering each other politically back and forth. It is all his fault, all of it. It is a terrible situation.

MR. CHAIRMAN (MR. DUNPHY): Order, please!

MR. MARSHALL: We have seventy-four hours left.

MR. CHAIRMAN (MR. DUNPHY): Seventy-four hours. Thank you!

On motion subheads (1907-06) to (1907-07-03) carried.

AN HONOURABLE MEMBER: What is that? Neighbourhood Improvement?

MR. SIMMONS: Could the minister indicate what is involved in that?

MR. EARLE: (1907-07-04), Neighbourhood Improvement (Capital). This is known in short as NIP Programme, Neighbourhood Improvement Programme.

I am completely stuck, Mr. Chairman, because if I mention anything I am likely to stir up one of my colleagues on this side, but this one has some beautiful names. When we are dealing with the federal government on their programmes, they are either NIP or RAP or NAOP or OOP or SCUMP or BLUMP or something. They go by initials. So, this one happens to be NIP. It is the Neighbourhood Improvement Programme which under the National Housing Act, under their Neighbourhood Improvement Programme, a tentative programme allocation to Newfoundland by Central Mortgage and Housing Corporation, a grant of \$1,340,000 and a

loan of \$2 million, with the provincial contribution which is the amount in this budget here of \$660,000, giving us the total programme of \$4 million.

This is provisionally allocated for the completion of the Mundy Pond scheme, \$2 million; Corner Brook, \$1 million and remaining to be spread around the province, \$1 million. Well, that is it. That is the explanation of it. It is really to finish up the Mundy Pond scheme, the Corner Brook scheme and \$1 million to be spent elsewhere.

AN HONOURABLE MEMBER: Inaudible.

MR. EARLE: \$2 million for Mundy Pond. \$1 million for Corner Brook. \$1 million left. That is \$4 million.

CAPT. WINSOR: Is the minister explaining (04) or is he explaining (1907-08)? It appears to me to be (08) rather than (04).

MR. EARLE: No, no. (1907-08) I will explain when we come to it.

CAPT. WINSOR: Well, the honourable minister is talking \$1 million or more or \$2 million and there is only \$660,000.

MR. EARLE: I am explaining that the \$660,000 is the provincial contribution to the \$4 million programme.

CAPT. WINSOR: Oh, it is the provincial contribution.

MR. MARTIN: I would just like some clarification here, Mr. Chairman. The honourable minister says that part of this \$660,000 is going to be spent in Mundy Pond and another part in Corner Brook. Already before that in (02) and (03) there are capital expenditures for both of those places. After explaining that one, perhaps he could tell us what is being done to explain this programme to other areas, whether anybody else knows about it or not.

MR. EARLE: Mr. Chairman, this is about one of the most difficult programmes I have tried to explain to anybody. I doubt if I can do it tonight. Under this federal programme, the municipalities have to apply and have to be able to designate certain areas within their municipalities and to meet certain criteria which will qualify them to come under this NIP Programme.

Now, a general information sheet went out to every municipality within the province explaining this programme and there was immediately reaction that "We can get in on this." They found that when they actually

tried to apply that they could not qualify. In fact there are very few schemes that can qualify. It is only in the larger urban centers that they can meet the criteria set out by the federal government under this scheme.

Furthermore, another distressing part of this is that the programme known as RRP which is the Residential Repair Programme also has to be within a NIP Programme. Now, if I can make this clear - it has to be in an Neighbourhood Improvement area in order for one to get under the repair programme. So, the whole confounded thing is so darn complicated, by the time it is sorted out we find that there are very few places that can qualify.

MR. MARTIN: Is this the urban equivalent of the Rural and Native Housing Programme?

MR. EARLE: No, by no means.

MR. MARTIN: It is not at all?

MR. EARLE: No, it is not the same thing at all.

On motion subheads (1907-07-04) to (1907-08) carried.

On motion, Head XIX, Municipal Affairs and Housing, carried.
Head XX, Provincial Affairs and Environment.

MR. DOODY: Mr. Chairman. I am very hesitant to rise at this point after listening to the attack that the shadow - is the honourable member a shadow? - the honourable member for White Bay South, who is supposed to be the critic for industrial development, just made on my honourable friend, the Minister of Municipal Affairs and Housing. For some reason or other he was provoked and he went out of his tree and leaped and roared and shouted and danced. However, I will not take very much of the committee's time here.

We are not going to take too much time in introducing the department. It is a somewhat different department than the committee has been used to. Most of the frills and fancy parts have been removed. The parks, tourism and so on have been placed in the area of Tourism. It is strictly now an Industrial Development or Economic Development Department.

It has been broken down into three areas of development and promotion and assessment and research, project development and promotion

and industrial supervisor which is something of course which should have been there some time ago. If that had been there some time ago, then these unfortunate incidents which I discussed a little while ago at Harmon may not have taken place.

However, I can describe the various functions of the three divisions of the department at some length. Since we only have an hour or so left, I will leave it up to the committee if they want me to go into these things or if they want to question the subheads,

whichever way they want.

MR. W. N. ROWE: For my own part, Mr. Chairman, I would just like to hear the minister. We know generally the structure of the department; it has been in existence for a while.

There is a bill coming up before the Committee, a notice of which was given today by the Minister of Finance I believe, concerning the Lower Churchill development; so we will have plenty of opportunity to debate it at that time. Would the minister give us some indication as to what types of industrial development he has been involved in in the past year or so and intends to get involved in this year? Just a general resume as to how things are progressing with regard to the Lower Churchill, we will not get into the debating on it tonight.

The second oil refinery - where are we on that? A status report on that, Mr. Chairman. The Burgeo Fish Plant, I would like to hear something about that. What special DREE agreements are likely to be signed now in the near future. For example, the special areas - no, there are no special areas any more, I forgot about that, Mr. Chairman, special development opportunities now, but the Highways Agreement.

It seemed to me, watching television the other night I heard Mr. Jamieson announce some highways work. Yet I have not heard the announcement of any special highways agreement between the province and DREE for the coming year. Perhaps the minister might give us some clarification on that, Mr. Chairman. Generally, what DREE special agreements are being negotiated now and when are they likely to be announced and the magnitude of them. In other words, anything that the minister is involved in. We would love to hear anything that he has been doing.

AN HON. MEMBER: Inaudible.

MR. W. N. ROWE: No, I should say in ten minutes he would be able to answer those questions, Mr. Chairman.

MR. DOODY: The second refinery is scheduled. The first work is supposed to start in June and that will depend on the labour agreement on which the TECHNIP Group are now having some preliminary discussions with the local

people. I understand once the site agreement is arranged then the first work will start on the refinery. Everything is as it has been indicated to the Committee earlier, it is well in hand. The commitments which the refinery people have made to the province have all been met and the thing is well in hand and we feel that starting in June and from thence forth the refinery will go on as scheduled.

On the DREE subagreement which the honourable member mentioned, the Highways subagreement I think had been discussed in some detail with the Hon. Minister of Transportation and Communications. He was not prepared to give him any great detail on it. Certainly since it is not my responsibility to do so, I certainly will not, if he say the Member for Burin/Burgeo made some announcements recently, I would suspect that he has a greater election fever than I have. I certainly am not going to get involved in it.

AN HON. MEMBER: I thought you were buddies.

MR. DOODY: He and I are very close. He has often mentioned to me that he cannot quite understand why he cannot establish the same relationship with the members of his own party who run provincially. He feels that they misunderstand him and they do not appreciate what he is trying to do for the province.

AN HON. MEMBER: He told him that?

MR. DOODY: Yes, he did. He said, "They seem to be very parochial." They make little comments in the Committee, about him numping money into his own district. He does know why they say these things. He does not understand but he is trying to help the province as a whole. However, he feels that as they mature and become more responsible and understand his position and see that he is doing the thing as a Member of the Government of Canada rather than - he and I get along quite well, as he mentioned.

On the Burgeo Fish Plant, that is a rather long and involved programme. We had quite a large announcement on it a little while ago. I can go into it in detail again. The substance of the matter is that we hope to establish or build a \$6.5 million fish plant there in

conjunction with the National Sea Products. We had hoped to get \$3 million DREE grant to assist in the project. Without it the capital cost of the plant would have been such as to make it something less than feasible. DREE, in its usual and amiable fashion, came through with \$2.5 million grant; too much to turn down and not quite enough to leave the province feeling completely at ease with it. The engineering and surveys and the necessary preliminary work on that plant are now going ahead down in Burgeo, by National Sea, and we feel reasonably confident, as a matter of fact we feel very confident that in a reasonable period of time there will be a new, modern fish plant built in Burgeo which will ensure the prosperity of that community and the survival of that community for a long while to come. We feel that Burgeo without a new plant has really very little to look forward to as an economic, viable unit of society. So this government have gone overboard to see that Burgeo gets a chance to survive in the way in which it has always made its living, in the fish business.

On the Lower Churchill:- The Lower Churchill project is one that is a very involved one, one that we have been working on for some time. We recently had some discussions with the government in Ottawa or the lame-duck government in Ottawa or the government in Ottawa that is now holding office or at least in a shadow sort of a way for the next two months. They have assured us that they will do everything they can in principle to see that the transmission line comes down to the island or that they will do their best to assist us in bringing it down to the island. They feel that if all of the the things, all the facts and all of the figures that we presented are reasonable, and I see no reason why they are not, they will do what they can to give this province the chance of survival that it deserves, a chance to enter into the main stream of Canadian life. Without energy down here we feel that we have very little to offer. The people in Ottawa seem to feel that this is a national scheme and they are going to treat it as such. We feel that even though it is a Liberal Government it is a very reasonable one, and they are going to do what they can for us. In the meantime, we feel that we are going to press on with the Lower Churchill during the fall and during

this summer and during the spring. We are going to spend quite a bit of money up there on work, site work, in getting the thing started. There is no doubt in our minds that the Lower Churchill will start. As a matter of fact it is started now for all practical purposes and will continue on during the coming months and we will meet the timetable that we have set down.

AN HON. MEMBER: Inaudible.

MR. DOODY: The financing for the whole operation? No, it is not. Financing for the whole operation has not been raised. The preliminary money has been raised and we have every indication that the rest of the money will be available as it is necessary. We have no indication to the contrary. Does he have any other questions on this or is he going to pass the whole thing now so that I can sit down again?

AN HON. MEMBER: Inaudible.

MR. DOODY: All right! Carried, Mr. Chairman.

AN HON. MEMBER: What is the Hon. Premier laughing at me for? He could laugh at worse.

MR. W. N. ROWE: I would like to make a few remarks.

AN HON. MEMBER: Inaudible.

MR. ROWE, W. N. Yes, tell us all about that kind of thing. Anything the he might like to dream up.

AN HON. MEMBER: Inaudible.

MR. W. N. ROWE: No, we sent him home today. We did not want the minister resigning like the Minister of Fisheries. No they are all taking it easy.

MR. DOODY: Inaudible.

MR. W. N. ROWE: Pardon?

MR. DOODY: They are a pretty weak crowd and they face the real thunder.

MR. W. N. ROWE: That is right. When the honourable Member for Bell Island heard and the honourable Member for Labrador North heard that the Minister of Industrial Development is to make his maiden speech, they stayed home, Mr. Chairman, because they knew that they would be subjected to

a vicious onslaught.

MR. DOODY: I could hear the thundering and ...

MR. W. N. ROWE: What I find interesting - the Premier might give us some elucidation on this, Mr. Chairman. Why would the Premier of the Province and his colleagues, the Minister of Energy and the Minister of Industrial Development, probably Crusty Crosbie himself, the Minister of Finance, spend a week up in Ottawa making a deal with the government on the Lower Churchill Development if they in any way thought that government was going to disappear from office following the July 8, election? Now I ask that question.

The people of Newfoundland -

AN HON. MEMBER: Inaudible.

MR. W. N. ROWE: I am not finished yet. The Premier wants to answer. I do not necessarily want him to answer the question, Mr. Chairman. All I want to do is ask the question. Now if I can keep going until 11:00 P.M.

MR. DOODY: Inaudible.

MR. W. N. ROWE: I do find, Sir, it passing strange and the people of Newfoundland as well, to quote the Minister of Justice, "The people of Newfoundland are watching this closely as well." Why would the Premier of the Province spend a week up in Ottawa conferring with the Prime Minister and a number of important ministers if he thought that the Government in Ottawa were going to be defeated? The only conclusion that one can come to and I am sure my colleagues might support me in this, the only conclusion that anybody can come to and the people of Newfoundland have come to this conclusion, we have gotten telegrams to this affect - . The Minister of Justice always says that cannot I say it.

AN HON. MEMBER: Inaudible.

MR. W. N. ROWE: Received telegrams.

AN HON. MEMBER: He was the Minister of Justice for a while.

MR. W. N. ROWE: Yes but now I am talking about the present, not past. The future Chief Justice of the Supreme Court always receives telegrams from

all over Newfoundland whenever anything of a public nature happens. Anyway we have received telegrams, Mr. Chairman, and letters saying that the conclusion that the Newfoundland people have come to is that the Government in Ottawa, the Liberal Government in Ottawa are not only going to stay in office but are going to stay in office with a majority. Otherwise, why would the Premier of this province spend a week in Ottawa talking to them, wasting his time and the time of the Prime Minister? Why would they do it?

The only reason can be that they foresee four or five years of the present administration being in Ottawa and that they should get things straightened out now while the going is good. Is that not correct? There is an election going on. Hopefully they can catch the government that is going into office, the party that is going into office in a sort of an enthusiastic jubilant mood and they might say, "Yes we will give you the half billion dollars needed for transmission lines. We will even throw in say a-half a billion for the development of the Lower Churchill itself."

MR. DOODY: We spent eight minutes with the Cr ditistes.

MR. W. N. ROWE: Equal time. That was like when Joey used to be on V.O.C.M., if I may be granted the digression, Sir, and the Minister of Finance asked for equal time but CRTC, his best friends, his good friends, awarded him thirty-eight seconds or something for the group and the Honourable Minister presently absent, one-time Leader of the Opposition, the Minister of Social Services, I think they got point three seconds or something out of it. So on that basis, following that precedent, the Minister of Industrial Development spent one week with Mr. Trudeau, eight minutes with Mr. Caouette and about a-half a minute with Mr. Stanfield; on that same basis.

I must say it was a great encouragement to me, Sir, and I shall spread that word around that I am glad to see that the Premier of our province was interested in stable government, sees that it is going to be a stable government in Canada following the election and therefore he met with Mr. Trudeau for the best part of a week, straightening away the Lower Churchill. I hope that the meetings were successful. I hope

that the Premier was able to get from the Prime Minister in an election mood some good concessions for this province as far as that development is concerned.

AN HON. MEMBER: Inaudible.

MR. W. N. ROWE: Did he ask about me? Good, bless his soul, Mr. Chairman!

AN HON. MEMBER: Inaudible.

MR. W. N. ROWE: Yes, but in any event, Sir, I am glad to see that the Premier had faith in the present government in Ottawa.

Perhaps the minister might like to indicate to us where they are going to get the money to develop the Lower Churchill, where it is anticipated that they get the money. Have they made any overtures as yet to underwriters or to the bond market at all, in any way? Will it be done by way of the crown corporation borrowing money on its own independent worth or is there likely to be a government guarantee? Or in any event, even if there be no government guarantee and a crown corporation, a crown corporation which is set up to build and operate it, borrows it, then is this not a liability, at least contingent, on the Government of Newfoundland?

The minister might also indicate because I know that he is one of the two or three ministers with clout. In the cabinet the Premier and one or two others make all of the decisions; that is to listen to their colleagues complain about how they never get a look in on any decision making. The minister might indicate. The complaints of the minister's colleagues are to the effect that everything is decided by the kitchen cabinet downstairs here. The Premier, the Minister of Industrial Development and one or two others, I do not know who is included in it. Well, the Minister Without Portfolio used to be but unfortunately he seems to be hors de combat at this time.

MR. DOODY: Inaudible.

MR. W. N. ROWE: Oh I have heard complaints from the Minister of Finance, for example, that he never gets a look in on any decisions and that he would like to get into a position where he can exercise some clout in government. He has been trying now for the best part

of ten years to get some political clout . The minister might also indicate if it is likely, because I know he is interested in the over-all government of the province as well as just industrial development, is it likely that the public services of this province or the development of public services will suffer in any way as a result of the government having to raise say \$1 billion, perhaps more? If you listen to Mr. Jamieson it might be \$1.5 billion; having to raise \$1 billion for the development of the Lower Churchill? Would the minister consider in his judgement that the development of public services will or will not suffer? If they shall not suffer, if that development should not suffer would he be good enough to indicate to us how he is going to achieve such a minor miracle?

Now if an independent company, such as BRINCO, for example, were borrowing the money, without any money guarantees, that would be one thing: the government's credit would not be adversely affected in any way. If on the other a crown corporation, with or without a government guarantee were going out, to use the minister's own argument, when we are talking about the deal on the first and second refineries, if the crown corporation were going out to get \$1 billion or \$1.5 billion, with or without a government guarantee, then this shall adversely affect the credit of this province.

AN HON. MEMBER: Inaudible.

MR. W. N. ROWE: When we are discussing it, yes.

AN HON. MEMBER: Inaudible.

MR. W. N. ROWE: Well, no. That is right, Mr. Chairman, it is not his maiden speech. He spoke once before in the Committee.

MR. DOODY: He is stubborn.

MR. W. N. ROWE: This is his second speech in the Committee, the one we just heard.

MR. DOODY: Carry on, we might cover -

MR. W. N. ROWE: I hope so. But will he tell us whether the money that this government normally would have for the putting in of public services in this province, schools, water and sewer, highways, for example,

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or any other industrial development which requires a government guarantee is likely to suffer at the result of the government having to borrow \$1 billion or \$1.5 billion? Because I would assume that even if the Government of Canada assist to the tune of a-half a billion dollars that this would be by way of loan that would have to be repaid, over the long haul, through the use of the power generated.

But in any event, let the minister answer one or two of those questions, Mr. Chairman, before we get into one or two other things.

MR. DOODY: I think the - mark it down now. Let him not make the same mistake again because it would be embarrassing for him. I do not want to be doing it to him because he is too nice a fellow. The major point I think that he raised, during all of the verbiage and so on, was; will the credit of the province suffer from the development of the Lower Churchill?

MR. W. N. ROWE: Inaudible.

MR. DOODY: Well presumably the development of the Lower Churchill will be contingent upon the raising of some funds to make it happen. So, no matter who has to do it, it is going to require some funds and whether it is done with government guarantee or it is done under private enterprise, it is still indirectly involved in -

AN HON. MEMBER: He missed the point.

MR. DOODY: No, I did not miss the point just let me, if he would just bear with me in patience for just a couple of seconds: Even today in the bond markets of the world you will find that the Upper Churchill; although the Province of Newfoundland was not involved in it at all, it is still marked as a small asterisk on the bottom of most of the performer balance sheets and on the prospectus as noted. So to that effect, no matter if it be done by private enterprise or not, the Province of Newfoundland is still involved in it to a certain extent.

On the Lower Churchill it would appear to me that the project will stand on its own, undoubtedly. The projections of domestic growth, the

projections of utility growth and even the most conservative, (if he will excuse the expression, a small 'c') projections of industrial growth indicate that the project will stand on its own and the bond holders who invest in that project will get a reasonable return on their investment.

Whether that will affect the social services that will be necessary in the province, I do not think it will. I do not see how it can, what I am sure of however is that unless we get some basic source of energy, some base on which we can build an industrial growth and some base on which we can give our people reasonably secure supplies of energy over the coming years, some relatively cheap source of hydro, not the sort of thing that we will be faced with if we do not get the Lower Churchill, not the thermo, not the nuclear but a reasonably relatively cheap and secure source of power for industrial and domestic growth, then not only will we not have the sort of erratic and sporadic social development that we have had to date, we will have none because the province, in my opinion, will have very little to look forward to. In my opinion, not only is the Lower Churchill Development, not only will it not affect adversely the social growth of the province, but without its development there will be no growth in the province.

As to how the money is going to be raised, we have had discussions with various financial institutions. We have presented to them our projections. We have shown them what we have in mind. We have shown them what the growth of the province has been in recent years and what the projections are

there in the future. They have found no fault with them. They have indicated to us that they still might be available when we are prepared to go with the project. Ottawa has indicated to us that they agree with the project in principle and they are going to do all they can to help us. It seems that everybody has great faith in the province and everybody has great faith in the development. We are going to press ahead with it. We have every reason to believe that even Her Majesty's Loyal Opposition are going to do everything they can to make it happen. Would that be so?

MR. W. N. ROWE: Can the minister give us an idea ..?

MR. DOODY: I would love to.

MR. W. N. ROWE: Mr. Chairman, this honourable minister -

AN HON. MEMBER: (Inaudible).

MR. W. N. ROWE: I must say we have now a court jester in the person of the honourable minister. I wish now that we had another seventy-five hours, Sir, to carry on this debate on the estimates. Had we know that we would have been regaled, we would not have spent twenty hours on - I must say that the Minister of Finance is not bad as a joker himself, not bad as a jester, a parliamentary clown. The Minister of Industrial Development, Sir, I must say is refreshing in this committee.

Would the honourable minister give us an idea as to the relative cost of - using today's interest rates, construction costs and this sort of thing, the cost of transmission lines from the Lower Churchill - bringing power from a hydro development, such as the Lower Churchill, to the province and the cost of obtaining the same amount of power by way of an atomic plant of some sort to generate electricity? What would be the mil rate, Mr. Chairman? What would be the rate per kilowatt hour? Does the minister have that kind of information?

MR. DOODY: This is a rather tricky one. I know what the honourable gentleman is getting at and I know what he means but it can be misleading. It can be incorrectly explained or incorrectly presented. It might present a deterrent to people who would be interested in establishing here in terms of mil rate. Actually, taking across the whole average system, with all things being equal, escalation, interest rates and the whole bit, the hydro mil rate compared to a nuclear thermo. mil rate would be in the order of fifteen mils to twenty-four mils. That is averaged over the whole system. That is the only way it can be done, with a thermonuclear thing. If one should take it on a hydro bit, where one can take it in block by block down to the system, one can take the cheaper, shorter sections of that and sell them as they come off in power and average it over a longer rate because it is an on-going, ever-flowing, sort of a nondiminishing bit.

To answer the honourable gentleman's question, it is fifteen by twenty-four. I have been waiting for this for a long while. I have been sitting next to him since the House opened. I have been taking this for years. I hope I have not confused the honourable gentleman.

MR. W. N. ROWE: There is no answer from the honourable minister. He gives the impression of knowledgeability but I am afraid he does not stand the test.

MR. DOODY: (Inaudible).

MR. W. N. ROWE: Mr. Chairman, the question is very simple. There must be something to compare the economic feasibility to, i.e., the Lower Churchill development. If one were to develop that and sell all the power somewhere in North America, forget about bringing it down to the Province of Newfoundland, sell it at the best rate somewhere in Labrador or somewhere in Quebec, sell it anywhere, sell it to Hydro Quebec for that matter and get a net gain of so many millions of dollars profit to the province, through this crown corporation for doing so. Right?

MR. DOODY: (Inaudible).

MR. W. N. ROWE: Well, I do not know, whatever the market will bear.

Now if one should take that amount that the government makes or the crown corporation makes from generating that electrical power as a result of the Lower Churchill and then deduct that from the cost of a nuclear plant here in the province, for industrial purposes say, are the two things anywhere close together?

MR. DOODY: One cannot be put here.

MR. W. N. ROWE: Why cannot one be put here?

MR. DOODY: (Inaudible).

MR. W. N. ROWE: Well that is the kind of information. I mean the minister could have given us this.

MR. DOODY: The honourable gentleman is talking about shipping the power.

MR. W. N. ROWE: No, I was talking about the comparison between a thermo plant, a nuclear plant here in the province, here on the island, compared to the cost of bringing it down to the island.

MR. DOODY: (Inaudible).

MR. W. N. ROWE: Now the minister says that it cannot be done, period. Well that is a good piece of information. I am glad to be -

MR. BARRY: It could be done in the future.

MR. W. N. ROWE: Maybe we should have discussed energy before we got to industrial development.

MR. DOODY: It would cost more than that to get up to a level where one could put in a nuclear plant, because one has to put in the thermal to build up to it.

MR. W. N. ROWE: Well that is good. That is information everybody understands in the committee, I am sure. The minister is going out of his way to make it explicit.

MR. DOODY: They do not give an I.Q. test when one signs up for a membership in this outfit. The responsibility is that of the people of White Bay, it is not mine.

MR. W. N. ROWE: Sir, I am just looking for some information.

I want to find out whether the government is doing the right thing on the Lower Churchill Development. It is a simple question.

MR. DOODY: I do not think we have very much choice.

MR. W. N. ROWE: Pardon? We are not going to get any information from the minister. I do not know why the minister insists on being flippant. Is he trying to cover up the fact that there are a great number of people saying that maybe they got something or other in the wringer on this thing, Mr. Chairman? I do not know. The Premier has been very up tight, jittery, a twitching heap for the past month or so. I mean everything points to the fact. Oh! We are going to have some information poured into the minister from the Premier. What I want to know, Sir, as a member of the committee, has this government done the right thing? Are they doing the right thing with regard to the Lower Churchill Development?

Now is the Premier caught, along with the Minister of Finance, in all the public utterances that they promised 'they would not make before they got into power? "No power will be developed on the Lower Churchill unless it is brought down to help industrialize the Island of Newfoundland?" That is the kind of stuff we used to hear from the Premier and from the Minister of Finance.

Now what I am asking is: Is it more beneficial to the province as a whole to have that power used in Labrador or to be sold elsewhere, hopefully at a profit to the province, the Provincial Government, hopefully at a substantial gain to the treasury of this province, and to develop other types of electrical energy in the province, in the island portion of the province? That is the question. The minister insists on being flippant about it. I do not think the whole thing is cut and dried.

MR. DOODY: (Inaudible).

MR. W. N. ROWE: It is a very difficult situation. The whole thing is difficult. The minister tried to dismiss my questions, about it affecting the public services of this province, as if they did not even exist. Well they do exist, Mr. Chairman.

Mr. Chairman, as a member representing a rural area of this province which is depending on not only industrial development but is depending on a considerable amount of money being spent by this provincial government in public services, schools, water and sewer systems, road upgrading and paving, industrial development, if that can happen in the area, I think it is a logical and sensible question for me to ask as to whether the route that this government is taking on the Lower Churchill development is likely to adversely affect the welfare and the future of the people in that area.

Now, Mr. Chairman, there are fifty other areas of the province that may ask the same question. I do not think it deserves a flippant, cynical, callous, jocular answer. I do not think it does. I think it deserves a serious answer and a little bit of analysis, not just a flick of the wrist as though it does not exist; no problems. I think it does exist as a problem.

The other question is a serious question, articulated by a person who is not in possession of technical expertise. If I were somebody who had the expertise to develop the Lower Churchill, I do not think I would be in the committee here, Mr. Chairman; I would be up there doing it at a considerable salary. I do not mind the minister making flippant remarks about that. I am serious about asking the question. Is it better for this province? Have there been investigations into it? Do the studies show that the power must necessarily come across the Straits of Belle Isle to the Island of Newfoundland? Is there a net gain to the province in having the power go westward and we develop other sources of energy in the island part of the province? That is a sensible question.

Is it or is it not? The minister, probably carried away by the lateness of the hour and the fact that we are grinding to a close and the gag imposed by the Minister without Portfolio will soon come into effect, does not want to get into a debate. He hopes to get out of it. We are going to have another opportunity so I will not prolong it. When the bill of which notice was given today comes before the committee, we will have another opportunity to go through the whole thing.

Mr. Chairman, in anticipation of that debate, I, as a member of the committee, striving to learn a few things about what is going on, would not mind receiving some information from the minister. It may allay considerable doubts that are existing in my mind. I do not mean doubts as to the development of the Lower Churchill as such. I am talking about doubts as to what methods should be pursued, what type of an organization should be set up or whether the energy should be brought across to the island or sent westward, whether there are other sources of energy here in the province that can be developed cheaper, whether with the possibility of offshore oil and therefore cheaper oil, presumably, for the development of electrical energy from that source, hopefully -

MR. BARRY: No.

MR. W. N. ROWE: The Minister of Energy says, "No." It cannot be done? I would like to hear about that.

We hear now that nuclear power cannot be done. I do not know why it cannot be done. There was some talk about one thing or another as to why it could not be done. I think the minister owes it to us and through us and the press to the public to give us some analysis of these various alternatives. Do not flick them off in a cynical fashion; they are serious questions.

Not to use Mr. Jamieson's figures, let us call it \$1 billion. One billion dollars is a lot of money for this province.

At a couple of hundred million a year in expenditure, capital expenditure on public services, one is talking about five years, at a couple of hundred million a year. It would probably have a greater effect than that even if this saddles our public debt to the extent where the government finds it has no leeway for expenditure on other capital needs in the province.

Mr. Chairman, I would like to hear some discussion on that.

MR. DOODY: (Inaudible).

MR. W. N. ROWE: Right! The interest rate has to be a worrisome feature of this to the minister. The minister laughs that off. I would suggest that the minister go to another department because it is not a laughing matter. The fact of the matter is that there is no indication that in the near future interest rates are going to go down. Every indication is that the pressures are such that they are going to go up.

Now if the minister could tell us what kind of a squeeze he is in there, i.e., is it necessary from a construction cost standpoint to get going now, this year, on the development of the Churchill or can he wait for a couple of years, a year or two and hope that interest rates will go down so that that cost has diminished whereas construction costs, labour costs and that type of costs might have gone up? What is the problem? Now we are nearing eleven o'clock, Mr. Chairman. Overnight, I would like for the minister - obviously he has these answers at his finger tips, but tomorrow when the committee sits again, I would like to hear the minister discuss some of these matters in a serious vein.

MR. DOODY: I am sorry I got the honourable member so upset. I had no idea he was so sensitive. I thought he was a veteran member of the committee and a little less susceptible to the darts, arrows and stings that have been going back and forth here. If he has interpreted

my comments as a lack of interest in the economy of the province in the future, I apologize to the committee. For the honourable gentleman's thinness of hide, I certainly feel sorry for the honourable gentleman. He is going to have a difficult career if he should stay in politics.

However, I would like to present to him, on behalf of the grateful government, the Feasibility Study of Delivering Power from Gull Island Hydro Electric Site to Newfoundland. This is the summary. There are four or five thick volumes which the honourable gentleman can read at his leisure and he can also become an instant expert like some of us over here have found it necessary to become. The detailed list behind that is available to him and if he should wish to get them, they are available either in my department or from the Hon. Minister of Mines and Energy.

The various sources of energy that the honourable gentleman mentioned that are available to us boil down to really only one in terms of economics. This is demonstrated in the study that was done by the Shawmont people fairly recently on the alternate sources of energy. The cost of nuclear, thermal, the cost of fuel energy in this province, will forever put us out of competition in terms of life in North America. We are just not going to be in it, the mil rate to us will be so much in excess of the rest. The cost of the energy that is being supplied to the Shaheen Refinery in Canso is something like twenty-one mils. That in terms of the ten to fifteen mil rate that we are going to bring down in hydro from the Lower Churchill is obviously a prohibiting factor to us.

The nuclear power plants, the capital cost of installation, relatively, is almost as great as the completion of the Lower Churchill. The things come in 650 megawatt units which are too large to install into our system. If one 650 megawatt unit should go out, the whole province goes out with it.

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The blocks of power that come down from the Lower Churchill, in terms of hydro, come in 220 megawatt blocks and they can be phased over the system. I do not pretend to know all the answers to this sort of thing but it is far more practical and economical for us to bring this thing down than to put in a series of 650 megawatt nuclear units at \$750 million each. Why should we put in these relatively environmental damaging units to make the Ontario Industrial Base? Oh, it is eleven o'clock, Mr. Chairman. I was good for another two or three hours. It is a shame.

I ask that the committee rise.

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

MR. STAGG: Mr. Speaker, the Committee of Supply have considered the matters to them referred and report having passed items of expenditure under the following head: Head XIX, Municipal Affairs and Housing, all items.

On motion report received and adopted.

On motion committee ordered to sit again on tomorrow.

MR. SPEAKER: It now being eleven o'clock, I do leave the Chair until three o'clock tomorrow, Tuesday.