



Proceedings  
of the  
House of Assembly

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During the Fourth Session  
of the  
Twenty-ninth General Assembly  
of Newfoundland

1951

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PROCEEDINGS  
of the  
FOURTH SESSION  
of the  
TWENTY-NINTH GENERAL ASSEMBLY  
OF NEWFOUNDLAND

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WEDNESDAY, October 24, 1951.

The House opened at three of the clock.

His Honour the Lieutenant Governor arrived immediately and read the Speech from the Throne.

MR. SPEAKER AND MEMBERS  
OF THE HONOURABLE HOUSE  
OF ASSEMBLY:

The people of Newfoundland in common with all peoples of the Commonwealth have followed with their prayers the recent serious illness of His Majesty the King. We rejoice with them in his continued progress towards recovery and trust that before long His Majesty may be entirely restored to good health. With all other Canadians we have also shared in the keen interest displayed in the tour of Their Royal Highnesses, The Princess Elizabeth and The Duke of Edinburgh across Canada. The warm reception they have received everywhere is further evidence of the close ties which bind this Dominion with the Throne. This Province is looking forward with eager anticipation to the arrival here of our gracious Princess and her gallant husband. The programme of Their Royal Highnesses' visit here has been arranged to give as many of our people as possible opportunities to share in and accord our royal visitors a worthy welcome.

At the completion of ten years since the American forces have been stationed in Newfoundland, I avail myself of the opportunity to express the appreciation of the Government and the people of this Province for the cordial relations which have consistently prevailed between us. The distinguishing feature of this relationship has been a mutual spirit of friendship, co-operation, consideration and respect. The Services and civilian personnel of the United States who have been posted in this Province have proved to be both good neighbours and employers. It is with pride and pleasure I say this at the completion of the decade of their sojourn among us.

I am sure that all Newfoundlanders rejoice in the flourishing state of the Province in 1951. It is the simple truth to say that in all her long history, Newfoundland has never known such a high degree of prosperity as there is in this present year. Never before did the majority of our people enjoy such a high standard of living as they do today. It will be the hope of all that this prosperity will continue and even increase to embrace all the citizens of the Province.

My Ministers have continued to devote the greater part of their energies to the task of economic development of the Province, and very encourag-

ing success has attended their efforts. The cement mill at Humbermouth has been completed, and cement is now being manufactured in it. The outlook for this great industrial enterprise is exceedingly bright, and it is anticipated that there will be no difficulty in selling the entire production of cement at profitable prices. It is reliably estimated that for each of the next three years there will be used in Newfoundland more than eight times as much cement as the new mill can produce, and should the deepening of the St. Lawrence Seaway be commenced in the near future a great additional market for Newfoundland cement will undoubtedly be open. The Humbermouth mill will produce Portland cement of the highest quality, and it will not be surprising if the mill's productive capacity has to be doubled or trebled within the next year or two. North Star Cement Company Limited, which has been incorporated to manage the production and sale of the cement for the first few months, has already been offered a market within Newfoundland of approximately 5,000,000 bags a year at profitable prices, as against the mill's present installed capacity of approximately 600,000 bags. One consumer in Newfoundland offers to accept a daily amount of cement that would require a ten-car train to move. The people of the Province will, I feel sure, be very gratified to know that the future is so bright for this first of the new industries.

Very much the same situation is true of the new Gypsum, Plaster, Plasterboard and Plaster Lath Mill. This mill, which is now rapidly nearing completion, will commence production a few weeks hence. It is one of the most modern and efficient

factories of its kind in the world, and for its output there is a very brisk demand at profitable prices, both within and without Newfoundland.

The third of the new industries to be launched is the birch veneer and plywood mill. This mill will produce also hardwood flooring and hardwood doors. It has commenced production, and all who have inspected the enterprise cannot fail to have been impressed by the very modern and efficient plant that has been established. The market demands for the products of this mill are quite incapable of being satisfied, and my Ministers have now under consideration a proposition from a very substantial European owner of several such mills for the establishment of a second veneer and plywood mill in Newfoundland. Investigations have revealed that this Province contains very large stands of healthy birch, both white and yellow, to provide the raw material for two modern plants. One of the most satisfactory features of the birch veneer and plywood industry is that a large amount of employment is created by it in many parts of the Province.

Construction of the new tannery is proceeding rapidly at Carbonear, and a start has been made at the construction of the large new machinery factory at Donovan's. This latter seems likely to become perhaps the largest single labour-giving enterprise in Newfoundland, apart from the fisheries. It is expected, within the next two years or so, to employ 5,000 men in full-time work, or more than the number now fully employed in the Corner Brook and Grand Falls paper mills, and the mines of Bell Island, Buchans and St. Lawrence all counted together.

The first of the machinery for the new cotton textile mill is scheduled to leave Europe for Newfoundland on the fifth of November next. Construction of the buildings is expected to commence even before that date.

The new leather goods factory is expected to commence early in November, and indeed before the close of the present calendar year a number of other new industries are due to commence actual construction. My Ministers expect that by the spring of 1952 more than twenty new industries will have commenced production or else be in course of construction.

My Prime Minister, accompanied by my Attorney General, returned recently from a six weeks' tour of Europe, during which they visited the United Kingdom, Switzerland, Holland, Germany, Denmark and Sweden. This tour was undertaken for the sole purpose of inviting certain industrialists of those countries to establish new industrial enterprises in Newfoundland. You will be pleased to learn that they were very successful in their purpose. Some fifteen additional new industries were secured in England, Belgium, Germany and Sweden. Directors and other representatives of these fifteen firms have either visited Newfoundland since my Ministers' return from Europe, are here now, or are expected to arrive within the next week or two.

I am sure that you, in common with all the people of Newfoundland, will be gratified to learn that three different financial groups are at present in touch with my Government with regard to the establishment of pulp mills in this Province. My Ministers have adopted the firm policy of refusing to issue permits for the

export of round or raw wood from the Province, except in cases where a very substantial amount of payment is received into the Treasury for each cord so exported. Their policy is to encourage the establishment of pulp mills, or pulp and paper mills, which will manufacture the wood into finished, or at least semi-finished, products, within the Province. The demand for pulpwood has grown to very great proportions on the continent of Europe, and important financial and industrial interests are turning their attention increasingly to the timber resources of Labrador. The three interests who have already approached my Government with propositions for the establishment of pulp mills have also suggested that in the meanwhile, during the period of construction, they be permitted to export certain maximum quantities of pulpwood in the round or raw state. The policy of the Government is to refuse to grant such permits except under two conditions: first, that the parties concerned give written guarantees, with penalty clauses and time limits, to establish pulp-mills, in which case a reasonable charge would be made for the wood so exported; or, second, that if no pulp-mill is guaranteed to be built, a very much higher rate be charged for round wood exported. At your last Session you presented for my assent a Bill empowering the Labrador Timber Utilization Company to cut some 200,000 cords of pulpwood annually in the Lake Melville area of Labrador, at a charge for the timber running at present around five dollars a cord, but not in any case to fall below half that amount at any time. The promoter of this company, as it appears to my Ministers, has since then made every sincere effort to carry out the obligations imposed by the Act upon

him. He applied to his Government for the official release of close to three million dollars to place on deposit in his company's bank in St. John's, to finance the Labrador timber operations. Expecting fully that this Government would agree to the necessary release, he loaded some hundreds of tons of logging and similar equipment aboard a steamship routed to Newfoundland. Before the steamship had sailed, however, his Government had stipulated that before the dollar capital could be released there would have to be an examination of the practical prospects of the operations in Labrador. He was therefore obliged to unload the equipment, though some material lies now in St. John's. In the meanwhile a commission visited the Lake Melville area to make the examination on the spot, and to the deep regret of all concerned the result of the examination was a report stating that the whole project was unsound and impracticable. This report stated that it was physically impossible to carry on logging in Labrador for more than three months a year, and that it was impossible to ship timber for more than three months in a year. No permit was issued for the release of the dollar capital needed, and the promoter was obliged to postpone his operations. He appears, however, to be determined to persevere in the matter and a second commission is due to arrive in the Lake Melville area within the next week to make a more thorough and careful investigation of the project. In the meantime, the Newfoundland Treasury has been put to no expense whatsoever in the matter. If the promoter finds in the end that he cannot perform what he has undertaken in his contract with my Government, then his rights will come to an end. If, however, he finds that he

is in a position to carry on his undertakings then considerable amounts of revenue will flow into the Treasury and a result reached which will be satisfactory to all concerned.

More than ever my Ministers are convinced that economic development is their first duty and first responsibility. They have abiding faith in the industrial future of this Province, and abundant faith that Newfoundland has now entered upon an era of great development that will make this Province, in the next few years, one of the most prosperous parts of North America. New confidence has arisen in the minds of our people, and the feeling is spreading rapidly that Newfoundland at last is coming into her own. Newfoundland, with Labrador, contains one of the last great storehouses of natural wealth to be developed in North America; my Ministers have succeeded in arousing very considerable interest amongst industrialists and financiers of Europe, the United Kingdom, Canada and the United States. The past two years have been a period of exploration and preparation. The next two or three will be a period of speedy development. Never in all our Newfoundland history was the opportunity so great to bring about large-scale economic development, and my Ministers are convinced that their energies must be devoted almost wholly, in the next two or three years, to that purpose.

You will be gratified to know that revenue continues to be very buoyant. If the present rate of revenue and expenditure is maintained for the remainder of the financial year it is anticipated that there will be a surplus of not less than one million dollars on current account. This is all the more impressive in view of

the fact that teachers' salaries and civil servants' cost of living bonus have been increased, since the Estimates were adopted in your last Session, by an amount of one million dollars a year.

My Ministers will submit to you a Bill enabling my Government to enter into an agreement with the Government of Canada for the inauguration of a plan of old age pensions, on the basis of a means test, to needy persons between the ages of sixty-five and sixty-nine.

In view of pending legislation by the Government of Canada you will be asked to approve legislation effecting a similar agreement to ensure continuance of existing pensions for blind persons twenty-one years of age and over.

May Divine Providence guide you in your deliberations.

His Honour the Lieutenant Governor retired.

HON. LESLIE R. CURTIS (Attorney General): Mr. Speaker, I beg leave to introduce a Bill "An Act to Amend the Industries Act, 1951," and ask that this Bill be now read a first time.

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

MR. SPEAKER: I beg to inform the Honourable House, His Honour the Lieutenant Governor opened the present assembly. His Honour was pleased to deliver a Speech from the Throne, which for the purpose of accuracy, I have obtained a copy. Is it the pleasure of the House this Speech be now read?

MR. CASHIN: Mr. Speaker, in view of the fact that His Honour

has read the Speech, it is not necessary now to repeat it; copies have been distributed and with the unanimous consent, I realize that during another period when the opening speech was read in the Upper House, it was again read in the General Assembly, but that is not there any more and it seems now, we must have it twice in here. If I am not out of order I suggest we dispense with the reading; it is very interesting and we will have some comments tomorrow.

HON. J. R. SMALLWOOD (Prime Minister): I am afraid that cannot be. My honourable and gallant friend is perfectly correct when he says there was once a second chamber in which the Governor read the Speech from the Throne. But he will find on such occasions too, members of the House here were present and heard it read in exactly the same way as it was read today and that upon return to the Lower Chamber, Mr. Speaker made exactly the same statement as His Honour just made, and the Speech was then read by the Clerk of the House. The purpose of that, I think, is to enable the honourable the Leader of the Opposition of the day, whoever he might be, in any session, any year, to hear it for the second time so that in addressing himself to the motion moved and seconded by two members of the House, that a Committee be appointed to draft an Address in Reply, he would be all the more familiar with the contents of the Speech and all the reader therefore, to make comment upon it. I think, therefore, as one who loves to adhere very rigidly to the best traditions of this democratic parliament, I cannot agree with my honourable and gallant friend and I suggest that the old, well-established, Newfoundland practice be carried

out, and I am sure my honourable and gallant friend cannot resist an appeal like that.

MR. CASHIN: I don't mind, Mr. Speaker, having it read a second time but I would like to correct the Premier. In the old days the Speaker went to the Upper House and brought it back here and the members of the Lower House generally went in more out of curiosity than anything else, but Mr. Speaker went in and obtained a copy from the Governor of the day and brought it back and read it to those who were in there at the time. I have no objection to it being read the second time. I will probably learn a lot from it.

MR. SPEAKER: The Chair appreciates the suggestion, but technically, only Mr. Speaker hears the Speech from the Throne, therefore the Speech has to be read a second time.

Speech from the Throne read by the Clerk.

MR. COURAGE: Mr. Speaker, I rise for the purpose of moving that a select committee be appointed to draft an address in reply to the gracious speech with which His Honour the Lieutenant Governor has been pleased to open this Fourth Session of the 29th General Assembly. In doing so, Sir, I am conscious of the great honour done me and through me to the district of Fortune Bay and Hermitage Bay which I have the honour to represent in this House.

Following custom, Sir, I shall with your permission take advantage of this opportunity which the occasion creates to comment briefly upon some of the various matters referred to in the speech. I know, Sir, that all the members of this Honourable House

will agree with the remarks made by His Honour on the occasion of the King's recovery. The humility and devotion of duty of His Majesty, King George, Sir, endeared him to all his subjects everywhere throughout the British Commonwealth of Nations. I read, Sir, during the crisis of His Majesty's illness, in an English paper or magazine, of some people standing outside the gates of Buckingham Palace, kneeling and praying for the recovery of His Majesty. Such spontaneous feeling could only be engendered by a great love of the Royal Concept, not in vain pomp, but in great virtue and it is this virtue that has endeared him. Indeed we may say, happy is the king whose throne is founded on his people's love. Long may His Majesty be spared to enjoy the love and devotion of his subjects.

We are very glad that their Royal Highnesses, the Duke and Duchess of Edinburgh are about to do this Province the great honour of visiting us. It is indeed fitting that Their Royal Highnesses should visit the shores of this the corner stone of the British Empire. To those of us who have read that very fine account of Her life by Her Royal Highnesses Governess, Marion Crawford, the Princess seems to be no stranger. Her husband, the Sailor Prince, we know will be quite at home in Newfoundland which is well known to be the home of good sailors. Newfoundland hospitality is known all over the world and, Mr. Speaker, I know the people of Newfoundland will extend to Their Royal Highnesses a truly Newfoundland welcome of which there can be none warmer and none more genuine.

I have recently returned from a visit to part of my district. While there, I visited many homes and talked with many people. I was very happy at

the high standard of living which I saw everywhere. It is true that the cost of living may be up, but it is also true that the people are living better than ever they have in the history of this country. I found everywhere a great interest in the legislation which will enable the Government to pay old age assistance to people between 65 and 69 years of age. This, Sir, will be a very welcome piece of legislation. Many of our fishermen have, since they were twelve and thirteen years old, braved the storms of the Atlantic Ocean and at the age of 65 are worn out. Men, who for more than forty years prosecuted the Grand Bank fisheries, at sixty are unable to go fishing any more and this necessary legislation will be a generous move to those old people.

But, Sir, the greatest interest was in the Government's programme of economic development. Thanks to the Government programme of Economic Development, Sir, prosperity is not just around the corner, prosperity is with us and greater prosperity is in sight and this is largely due to the work, and labours of the Government. I have no hesitation in saying that no government ever before has done so much, no two governments have ever done so much as this Government has accomplished in its two and a half years in office. This work, Mr. Speaker, this accomplishment is largely due to the almost super-human efforts of the Premier, a man who works eighteen hours a day, seven days a week, a man who devotes himself whole-heartedly to work. If one were to ask him if he had a hobby he would, I think, say it is work. And Mr. Speaker, I found a genuine concern in my district for the Premier's health. Many people said: "How is the Premier? When did you see him

last? How does he look?" And I was happy to say: "He looks very fit," and they would say: "I can't see how he keeps it up, I can't understand how he is able to do so much." Few men, Mr. Speaker, would be able to work eighteen hours a day, day in and out, seven days a week. There are men who dream dreams and there are men of dynamic energy who carry out the planning of others, but it is a very rare individual who is able to translate his dreams into action, able to go ahead and either not see the difficulties or brush them off and overcome the obstacles in the manner in which the Premier is able to do so. Mr. Speaker, a politician thinks of the next election, a statesman of the next generation. A statesman wishes to steer, a politician is content to drift. Who would say that this country today is being run by a man who allows himself to drift? It falls to the lot of few men in public life to be so highly regarded by the people as 'is our Premier today and I speak whereof I know because I have visited many parts of our Island within the last year.

Mr. Speaker, the House is again open, the members have come together to transact the business of the country, I am reminded of a story a friend of mine told me a few weeks ago. He lives in Bay D'Espoir and he said his little daughter heard the House was opening, heard it several times and was puzzled. She said: "Daddy, when the House opens will the members fall out?" Her father, who had been a member of the National Convention, said: "There is nothing surer than that, my dear." Well, I hope and trust if we must we will do it in a gentlemanly fashion. We can't always agree but remember we are Newfound-



landers here working for the benefit of Newfoundland.

I have not enumerated here the new industries because we will hear more about these in the future but the news which the Premier brought back from his recent trip abroad was truly encouraging: fifteen new industries are to come to our shores—that in addition to six or seven or more already started, one of which will employ five thousand men; just think what a programme this is. We are today on the verge of industrial development which will transform Newfoundland as England was transformed during the 19th century.

Mr. Speaker, Confederation has now entered its third year. We have not lost our independence, we have gained by union with a great country, let us go forward and make this union a success. In the words of the poet, Longfellow: "Thou too sail on Oh Ship of State; Sail on Oh Union Strong and Great. Humanity with all its fears, with all its hopes of future years, is hanging breathlessly on thy fate."

Mr. Speaker, I move that a select committee be appointed to draft an address in reply to the Speech from the Throne.

MR. DROVER: Mr. Speaker, I rise to second the motion so ably put by the honourable member for Fortune Bay and in doing so, may I reaffirm my confidence in the policy of development of natural resources and I want to assure you, Sir, that White Bay solidly supports me in this and I want to tell the Leader of the House, the Premier, that White Bay stands a real Gibraltar behind his policy of industrial development. Mr. Speaker, they stand with me and three

cheers and a tiger for yet more industries, more jobs and a higher standard of living for every last "Newfy" in this nation's newest province. A "rendezvous with destiny" was a much used phrase during the last war and it seems to me this is really applicable to Newfoundland since this Government took office. Hundreds of years have passed in our history; the defeatists, the timid ones; the weak-kneed said, you can't have this, you can't have that, we have just not got any resources, let us maintain the status quo, let us leave very well alone and the rich will get richer and the poor get poorer. Then came the Squires Government and the great industry of Bowaters was born. Then came Smallwood, a man of still greater vision. Did he say we can't have this and we can't have that, did he utter a wail of despair, we are poor we can have nothing? No he did not. This tireless worker for the country's welfare, this man with wider vision, set about searching, seeking, in many cases finding a way and striving to lift up the economy of the land which I know he loves so well. Mr. Speaker, too long have we suffered from the fact that apart from a few favoured districts the rest of us have to row a long boat and spend much time on the squid jigging grounds. Yes, this Island calls out for new jobs and more employment for our people. Today, Sir, Newfoundland faces a new era, a day is dawning and our purpose here is not to hinder it by the mistakes of the past but rather to set our face to the future and to explore the programme of development that will put better roofs on the homes of the people of White Bay, clothing on the backs of the children of the South and West Coast and better food on the table of every Newfoundlander. Yes, Sir, a policy of employment for

all is the slogan of this Government and, Mr. Speaker, let me, if you will, express the gratitude of my people to our great leader, the honourable Premier, this man who by tireless toil and uniform application to economic development has succeeded so well that probably history will show that the finest thing this Government did, was to assist the fresh fish industry. But between the two examples of socialism and torysm there is no doubt about it the present Liberal Government once in a while are liberal; they hit the beam as they go along and occasionally must be liberal but not most of the time. So, Sir, I am not particularly interested in party lines or where I sit; there is as good a place as any to speak my mind. In deciding to speak it there is certainly one thing I must make clear, which I mentioned before. I would not say a word today in the House or anywhere else about the public affairs if I felt by doing it I was going to discourage a single industry, a single industrialist from coming here and making an effort to start one, but there is no good in telling me that there is a danger in talking blue ruin or a reasonable fascimile that I am going to discourage anyone. Down in Seven Islands today the Railway works, and you may depend on it that Frobisher are going ahead intensively regardless of what I say or don't say in this House. If it is a good thing they do and they have the good old private enterprise and they are not going to be deterred from turning an honest dollar or what they consider to be by anything I say. Therefore I do not believe the remarks I am about to make are going to do anything to discourage or as a matter of fact to encourage any industrialist or group thereof from coming here. If I thought so I would not say a word,

but as I don't I consider the matter seriously and I intend to make these few remarks in mild criticism of the Speech from the Throne.

Now, the Premier on Wednesday started a trend that may continue by a mild exposure of his soul, not indecently, when he analyzed himself and showed us the result by saying that he had in his system left out completely any prejudice and hatred. I believe him, I don't care whether anyone else does or not. I believe he did have it left out. I don't believe he hates anyone; there were times when he almost hated me, but don't pay any attention, he does not; nothing of the kind, he is probably a little political for a moment or two but basically no. But that reminded me, Sir, that it would be probably in order if I examined myself a little and, Sir, when they made me there was one thing left out, perhaps several, but one particular in reference to what I am going to say next. From present indications I am afraid the prophecy of my honourable colleague from Harbour Main-Bell Island may be accomplished and that there may be a shortage of labour.

It is most distressing to learn that Dr. Seigheim's proposition for Labrador is a failure. If ever there was a Santa Claus he was one. I visualized him with his massive white beard handing out a thousand dollars and now I find we won't get a million cents. It is certainly very strange that this proposition was entered into by him and a company was incorporated to conduct work in Labrador. Anyone could have told him about the shipping difficulties and if he had at all inquired he would have learned from the honourable and gallant member for Ferryland about shipping facilities. I am at least sorry that so

much disappointment was given to us and particularly for the honourable member for Labrador whose glorious vision just disappeared, and now the million dollars will never come back.

Now when I sat down here I noticed a book, "The Bird Life of Newfoundland." It is very good I am glad to get this book, I had intended to buy it, Mr. Speaker, and now I have it free. It is a worthwhile book. As a matter of fact I will buy some copies and send them away to friends of mine because it is a wonderful book and those who brought it about should be congratulated on their wonderful work. But really having it presented here in the House it becomes an antidote of the rough words of people, when somebody on the opposite side starts criticizing us in very strong language, I will turn to this book and think of the songsters of Newfoundland and think of countless things, of music in civilized places. Maybe it was given for that purpose or when somebody is making a long speech we can take the book and read it and have a most pleasant time. Whoever put the book here—I understand it is the Acting Minister of Natural Resources—I want to thank him very much. It is a fine book, I know I will be able to read it on certain occasions when I find myself bored stiff just the same as they have the same pleasure when they are bored stiff listening to me, Sir.

I have much pleasure in supporting this motion.

MR. SMALLWOOD: Mr. Speaker, I would like to say a word of congratulation to the honourable gentleman who has moved and seconded the motion before us and to say how grateful I am, if a little embarrassed, by

their very kind thoughts expressed about me. They have been too kind altogether because if they were members of the Cabinet they would be as well aware as I am of the fact that I could do just exactly nothing if I were not a member of a Cabinet whose members all have one single thought in their hearts and minds, the same thought I hope I have myself about the development of Newfoundland. All the credit due for this great and historic programme of economic development is due to the Government as a whole, is due to the honourable members of this House on this side, and though not members of the Government but who keep us in office by their support, due to every man who sits on our Speaker's left, and is not at all due to any one particular one of us. If there is a man in Newfoundland above all others who deserves gratitude of all Newfoundlanders, that man is not even a native of our Province, not even a citizen of Canada, a stranger, Dr. Alfred Valdmanis. Some day the people of Newfoundland will erect a monument to Doctor Valdmanis. No government of the eleven in Canada is served by a man more loyal, nor with greater effect and efficiency. I say that about Dr. Valdmanis and pay him that tribute today because the foulest conceivable attacks have been made upon him and are yet being made upon him, foul, malicious, and utterly false—attacks to the effect that he was a friend of Hitler, that he was a Nazi and that he was a murderer, a mass murderer of Jews, when in fact the British Secret Service, the most efficient in the world, after a very close and careful examination of every detail of his life declared that of all the public men of the Baltic States, Lithuania, Latvia, Estonia, Finland, Dr. Valdmanis emerged as the one public man most anti-Nazi.

That is the report of the British Secret Service. The American Secret Service, CIC, Counter Intelligence Corp, subjected Dr. Valdmanis's life to the same careful and thorough check and the second of these investigations was made at the request of the State Department of American Government and was headed by a Colonel of the American Army of the Jewish Race and Faith and that Jewish gentleman, presently a practicing lawyer in the United States, that American Colonel who is a Jew by race and religion, conducted an enquiry into Dr. Valdmanis's life and career with all the careful and intensive thoroughness which you would expect a man of that race and religion to make. Twice the American Secret Service investigated him and each time cleared him completely; so much so that the American Army under General Eisenhower took Dr. Valdmanis on its staff.

Recently the Attorney General and I visited offices in the great, incredible office building in Frankfurt, now the Headquarters of the American Army there and visited the very office Dr. Valdmanis occupied when he was working in a very high position with the Army of the United States under General Eisenhower. That same army appointed Dr. Valdmanis as its delegate to the Geneva Conference at which RIO, International Refugees Association, was founded. Dr. Valdmanis was examined by the RCMP, the Canadian Security Police, the great and famous RCMP, before ever he was allowed to land in Canada three years ago. The RCMP has its own offices and branches on the Continent of Europe and in London, with some of whom I personally had conversations in recent weeks. The RCMP with all the reports of the British Secret Service and the American Secret Service at

their disposal admitted him to Canada and upon the request of committee of presidents of Canadian Universities of whom Dr. Carr, president of Dalhousie was one, as he himself told me in my office a few weeks ago on his visit to St. John's, a Committee of the Presidents of the universities of Canada appointed for the purpose of selecting a small number of distinguished scientists and educationalists in Europe to be brought to Canada, Dr. Valdmanis was to be brought to Canada by that distinguished committee for one purpose. I ask you, Mr. Speaker, and the House, to take particular notice of the purpose for which he was brought to Canada, to fill the Lady Davis Chair in Economics in the University of McGill, the Lady Davis Fellowship, Lady Davis being the widow of the great and distinguished Canadian, Sir Ben Davis of the Jewish Race and Faith—this mass murderer of Jews? He was employed by the Government of Canada in two departments of that Government at one and the same time, receiving two separate salaries, one the Department of Trade and Commerce, the Department of the Right Honourable C. D. Howe, the other the Department of Mines and Resources. Who employed him in the Department of Mines and Resources? The man who was his friend, the Deputy Minister, Dr. Hugh Keenleyside. Does that name mean anything to the House? He is the gentleman who insulted Dr. Sholt, the German financial wizard, out in the Far East, when Dr. Keenleyside refused to shake hands with him at a social function and thereby creating an incident discussed around the world. He who would not even shake hands with an ex-Nazi, a former Nazi, is the man who invited Dr. Valdmanis to serve in his department of Mines and Re-

sources of which Dr. Keenleyside then was the Deputy Minister—this mass murderer of Jews.

Yes, Mr. Speaker, Newfoundland under this Government, is embarking upon such a programme of development as Newfoundland has not even dreamed of in the past. And I will tell you today, full as I am of confidence in our future, full as I am of unutterable faith in the possibilities of the great North Eastern corner of this Continent, Newfoundland and Labrador, I would not dare say here just how confident I am because people would say I am crazy, say I am going out of my mind. In London a few weeks ago the Attorney General and I were guests at a luncheon given to us by Sir George Nelson, head of the greatest companies in all England, the English Electric Company, the builders of the plane which, on the day we were given the luncheon, flew to Gander in four hours, nineteen minutes, perhaps the greatest industrialist in all England, certainly if not, one of the greatest. He brought there to that luncheon ten of positively the greatest and most powerful industrialists of the United Kingdom, the Head of Potential Life, the Head of Spillers, the great flour miller of England, the head of the Steel Federation of Britain, I forget his name—ten of the greatest and wealthiest industrialists and financiers of the United Kingdom to hear from me some more of what they had begun to suspect of the great storehouse of natural wealth that, thank God, we own and no one can take from us, we Newfoundlanders. If any member of the House is tempted to think this material is exaggerated, this great storehouse of natural wealth, he has only to think for a moment of two hundred million dollars now being spent to develop just

one section of the iron ore in that great storehouse. The honourable member for Labrador in this House at the last session delivered a speech which I hold ought to be published in book form and distributed in every school in Newfoundland—a speech wherein he barely mentioned Newfoundland at all but dwelt entirely on his district, his small district of one hundred and ten thousand square miles of Labrador in which he put on record his faith in the certainty of a vast new industrial empire in Labrador. I would not dare, I say, to put into words the depth and breadth of the faith I have in the future of this people, of this Province. They would think I was going cracked, breaking up. But I have talked now in the past two years to some of the mightiest financiers and industrialists of both continents, North American and Europe. The Attorney General and I have talked with most of these together, along with Dr. Valdmanis, in Europe. Now in Germany we talked with them, two humble little Newfoundlanders, whom the cataclysm of Newfoundland history has thrown up from the ranks to be members of the Government, two humble little Newfoundlanders talked for hours with and were entertained handsomely by men and companies who could buy Newfoundland and sell it and it would be just an entry in their books.

MR. CASHIN: And make a profit on it.

MR. SMALLWOOD: And make a profit on it, and if they did not make a profit that too would be merely an entry in their books. One company who employed three hundred thousand people, I. G. Farham was the name.

MR. CASHIN: Not worth anything.

MR. SMALLWOOD: The Honourable member is always right in matters of finance, never wrong. I. G. Farham who employs three hundred thousand. Now in Newfoundland the recent census we all hope will show we have a population of three hundred and forty thousand, that is what we hope. That is men, women and children including day old infants, three hundred thousand. I. G. Farham alone employs three hundred thousand. Now, they have two hundred factories but some of them have been taken from them by the Russians in Eastern Germany. They still have about one hundred and fifty, one of which employs thirty thousand, one factory. We were into three factories, one outside Frankfurt —

MR. CASHIN: We will have to get the Speech from the Throne translated into German.

MR. SMALLWOOD: My honourable and gallant friend is welcome to the thought. We met great and mighty concerns. However they have not a dollar amongst them to their name, not a dollar, a nickel, have they got. They don't deal in dollars or in nickels, unfortunately, for our purpose, they deal in Reichsmarks.

MR. CASHIN: They are not worth a continental.

MR. SMALLWOOD: They are not worth a continental, no, in the New World, on the North American Continent, but as a European continental they are worth very very much, else they would not be able to employ three hundred thousand people, pay wages and operate one hundred and fifty various factories. Now, we talk of many vast concerns in England, Germany, Denmark, Sweden, etc., and all of them are up against identi-

cally the same problem. If Sir George Nelson in England wished to come to Canada he is able to buy his return passage, with sterling, without difficulty, but once he lands in Canada he is not able to pay his hotel bill in sterling. We don't expect them to have one dollar in Canadian or American dollars, hard currency. So he would have to make application to the Government of Great Britain to release two hundred or five hundred dollars with which to pay his own personal bills on this side of the Atlantic. That applies to Great Britain and to all the countries in Europe. They cannot get dollars, all dollars are owned and controlled by the respective governments and anyone who wants dollars has to apply to his own government for release buying the dollars with his own currency, whatever it happens to be. Now, we say to these people who are all without exception frightened and afraid of what they think will happen when the Russians march, they fear if and when this war starts in Western Germany, everyone thinks it will start there and they are frightened and afraid of that, and when we go to them and say; well all right, come out to Newfoundland, our Newfoundland people fought in two wars, many Newfoundlanders shed their blood and lost their life just as I suppose many Germans did too. But Newfoundlanders are not going to spend the rest of their lives hating people we have fought; in the last hundred years we have fought the Americans in the war of independence, the South in the Civil War, we have fought the Spaniards in the Spanish American War and in the Phillipines and the South Africans in South African War, the Italians in the last war. The Russians were our allies in the last war and we are now going

to fight them and we are not going to waste our time hating our ex-enemies, not if we are big enough in heart and mind and brains to use our ex-enemies to help us to help ourselves, that is what I believe about Newfoundland.

Now, about Dr. Seigheim, and this is my final word. Dr. Seigheim is a very wealthy man, he owns two companies in Germany, outright and their turn-over last year was the equivalent in value of twelve million dollars. All his life he has been in the timber industry and my honourable friend might as well know now I am just as well aware as he is or the honourable Leader of the Opposition, just as well aware of what he learned and where he learned it and with the same organization which for the moment may remain unnamed, on the 7th of September, I would like to note the day, the 7th of September, wrote a letter to Washington from Montreal, unqualifiedly condemning all thought of timber operations in Labrador. I will tell the House now that there is going on and has been going on for some months past an organized, planned, concerted drive to discredit Labrador. I am strongly tempted to give the name of the organization. I am waiting for future statements, I am waiting for statements to be made here in this House, I am waiting and ready, if and when they are made, I am also ready. That is why I never lose, I am always ready. That is why I am Premier and I am going to be Premier for many years to come.

MR. CASHIN: You don't know if you are going to be here.

MR. SMALLWOOD: With the help of God and the Newfoundland

people. Dr. Seigheim is a wealthy man.

MR. CASHIN: He is not.

MR. SMALLWOOD: He is the sole owner of four companies which last year between them did a business of fifty million deutchmarks, equivalent to twelve million dollars, one in Frankfurt. Most of his life he has been engaged chiefly in the timber trade.

MR. CASHIN: In furniture, and in the timber business the last three years.

MR. SMALLWOOD: Thirty years.

MR. CASHIN: He might tell you that.

MR. SMALLWOOD: He did not tell me that, I got the information elsewhere from independent sources. For thirty years he has been engaged in the timber business. He has never been engaged in cutting timber, never has been but has been engaged in the timber trade for thirty years as one of the principal suppliers of pulpwood to the greatest consumers of pulpwood on the Continent of Europe.

MR. CASHIN: If we might see the record.

MR. SMALLWOOD: If my honourable and gallant friend were as smart as he thinks he is he would not for the sake of a momentary victory of repartee in debate jeopardize anything, not for the sake of a cheap bit of momentary repartee. If it is any victory he is welcome to it.

MR. CASHIN: I am not interested in—

MR. SPEAKER: Will honourable members please confine their remarks to the Chair.

MR. SMALLWOOD: Yes, Your Honour, and if I have transgressed in that respect I ask Your Honour to award me that kindly forgiveness which the Occupant of the Chair has done on so many occasions before, to me and to the honourable members of the House, especially my honourable and gallant friend from Ferryland who needs that forbearance so often.

He is a man of great drive, great energy who has set his hand to develop the timber industry in the Labrador. I will express my honest opinion, by saying, I do not know, none of us here knows if he will succeed or not, two of us at least, the Attorney General and I realize that if he fails it won't be because of lack of capital or lack of great personal drive. If he fails it will be for reasons given by my honourable friend the member for Labrador, who can tell us more than the rest of us including my honourable friend know about that district. If he fails it will be for the reason that all who go to Labrador, Lake Melville, will fail, that same reason will cause Dr. Seigheim to fail, if he fails, which I somehow doubt.

May I tell the House that when that commission arrived in Goose they were virtually arrested, that a Newfoundlander landed in Goose and was locked up for twenty-four hours.

MR. CASHIN: That is an awful place to go to.

MR. SMALLWOOD: My honourable and gallant friend who is also a native Newfoundlander, if he went to Goose might also be locked up for twenty-four hours.

MR. CASHIN: I am going to keep out of it.

MR. SMALLWOOD: I have seen him in a very wicked state of mind and tongue over some insult far less important than the arrest of a Newfoundlander in Goose, something of which I think in all seriousness he should take a dim view, and I have taken a dim view and I have done so in the proper manner and I assure the House this new commission who are coming from Germany to spend two or three weeks in Lake Melville, when they come they will be accorded the kind of treatment that should have been accorded this one which the Government of Newfoundland brought here in an effort to bring about economic development. We must not forget that Labrador is Newfoundland, not Canada, not America, we must never forget that and if an airport is built in that Province of Newfoundland whether it be on the Island of Newfoundland or the territory of Labrador, when an airport is built, except when there is a war on, let us see to it that Newfoundlanders in the first place are treated with respect and if they are not let us demand and enforce our demand and seek, when the Newfoundland Government is intermediary, in bringing people there to develop any of our natural resources they be given the respect they deserve. They are brought there by the Sovereign Government of this Province—let us not forget that though we are a part of Canada and of the great Canadian Government, of which I am personally proud as I played some part in making it a fact—although we are a part of Canada we are a Sovereign Province and this is the Sovereign Government of this Province.

MR. MILLER: Who is guilty of this misdemeanour?



MR. SMALLWOOD: My honourable friend asks that in the best spirit, I think. In view of the fact the remedy has been found and when the new commission arrives we are promised complete co-operation and civilized, humane treatment—perhaps we had better let it go at that and name no names, though I am boiling mad about it. For two cents I would rip her wide open and have it ring right across Canada; I am the one who won't take any back talk from the Mainland of Canada, won't take any back talk from the Canadian Navy, Airforce or RCMP or the whole Canadian Government.

MR. MILLER: Then it was the Mainland?

MR. SMALLWOOD: I did not say so nor do I propose to say so. My honourable friend is undoubtedly perfectly free to form his own conclusions and read between the lines. But that won't happen again unless there is a war on. They will come and spend weeks there and settle the question and if it is true that you only log in Labrador for only three months a year, we know it is ridiculously false. They were given that information in Goose Airport, logging for three months and the rest of the year for two reasons, when you go outdoors you are eaten alive with flies for three months, and that only for three months there is no holding ground whatsoever in Lake Melville, can't put a boom there, can't drive a boom down the river to Lake Melville or hold it in the lake because the boom won't hold, because when it is filled up, the boom would break and the logs would float away and they would lose all the timber. That is the report brought back. Then again you can only ship for three

months out of the twelve. No wonder his Government refused to issue a release to sell to him two and a quarter million dollars in cash, dollars which the Government had already agreed to sell if a favourable report came back. When I think of the near peril we have met in having that magnificent deal which my honourable and gallant friend described as the finest deal any government ever put over—

MR. CASHIN: I said it was too good to be true.

MR. SMALLWOOD: Come so perilously near to having it destroyed by official bungling, dumb-witted officialdom, so near to it, it makes me feel murderous. I don't propose to have that kind of stupidity stand in the way of Newfoundland development, I will start a war before I do, I won't put up with it for anyone.

MR. CASHIN: I will be your first recruit.

MR. SMALLWOOD: You won't be the first in a concentration camp.

MR. CASHIN: In Goose Bay?

MR. SMALLWOOD: Keep away from there; apparently they don't like Newfoundlanders.

MR. CASHIN: I won't go anywhere near that place.

MR. SMALLWOOD: Now, we don't know if Seigheim is going to flop or succeed, we don't know. The Opposition will be happy if he succeeds? Don't they hope he succeeds?

MR. HIGGINS: We will have a brass band out.

MR. SMALLWOOD: Of course they will, they would even try to get him a title if he paid a million dol-

lars a year into the Treasury and employ hundreds of people and help develop Labrador, give him anything he wants in the way of honour and credit and see he won't be arrested and shoved into jail and treated like a bunch of criminals. I get a great kick out of it when I read and hear on the radio how Canada and the United States, Great Britain and France are all in the United Nations now talking and pleading with Germany and asking her to get in with them and fight communism and then in the next breath shove them in jail and call them a bunch of Huns, a bunch of Nazis. If this war starts I suspect we will be happy and grateful to have an army of seven or eight million German soldiers fighting the Russians with as much determination and bravery as they fought us, I would rather have them on my side than against me; probably I never mixed with them, never fought it out with them, probably it would be more graceful if my honourable friend who mixed with them in two wars were to say it.

MR. CASHIN: I am looking for the fellow who had a crack at my head.

MR. SMALLWOOD: Perhaps the poor fellow's bones are rotted away now, perhaps my honourable friend is more lucky than he was. Surely, we are not going to hate every individual from every nation we warred with, hate every German because we once fought Germany, every Frenchman because we once fought France, Spaniards, we fought with Spain; Italians, we fought with them and must we all our lives go on and hate every last German we fought in two wars?

Now, Mr. Speaker, I really intended today to say only one thing, but I got carried away and my honourable and gallant friend knows all about that, he knows what it means to get carried away; some things have been boiling up in me in recent months and I have to get it off my chest.

MR. HIGGINS: The sooner it is said the sooner we have peace.

MR. SMALLWOOD: When the time comes we can't do that, I expect the honourable and gallant member and myself will quietly furl our sails and sail away. I just wanted to say one thing and that was about Dr. Valdmanis. Incidentally, I went in and called on the Editor of DERTAG, in New York, a few days ago. I went in and talked to the Editor, a famous Zionist, and I told him that all my life I have lived under a misfortune, some men are born colour blind, some are stone deaf and could not hear a one hundred and twenty piece orchestra and can't tell if it is Johnny Doyle or Strokowski. I know a certain gentleman born smell deaf; he is sitting in this House, he was born devoid of the sense of smell; I am incapable of hating a man or woman because of colour, race or religion. I was born without it, I have not got it nor will ever be capable of hating any person for race, religion or colour. Unfortunately, it is nice to be able to join with everybody and hate anything everybody hates, hate the niggers and hate the Catholics, hate the Protestants, hate the Jews, hate the Japs. I can't do it.

MR. HIGGINS: Do you hate the Devil?

MR. SMALLWOOD: I am talking about persons. We are all friends here, we are all a bunch of New-

foundlanders, why be so formal. All my life I have been with the minority except in elections then I am always on the right side. I fought, when I was in America, I fought for the Negroes, I fought the Klu Klux Klan and nearly lost my life in the City of Buffalo, except for fifteen hundred negroes who surrounded me and got me out, and we drove at seventy or eighty miles an hour through the streets of Buffalo, myself and a negro, and I spent the night in a hotel and slept with him. It so happened that later on he was given a dinner at which the Governor of the State and Congress men attended to do him honour and we went to sleep about four o'clock in the morning and he told me what it was like to be a nigger, a cultured man, a university man, a great orator, a great man, great in heart and mind. Just practically every friend I had was a Jew. There are millions of Jews in New York, and every friend I had was one. And I told the editor of DERTAG, I was ashamed to be head of a Government accused of engaging in our employ an anti-Semite. I said that I was an Zionist myself long years before most Jews would even admit it in public. So I won't say any more about DERTAG. Probably tomorrow there will be a notice in the paper, tomorrow or next day that is all I started off by saying, I just wanted to say—

MR. CASHIN: They should apologize.

MR. SMALLWOOD: All he can think of is work, he is working for Newfoundland, and it cuts me to the heart to see him victimized by jealousy and prejudice and hatred and finally this foul and cowardly attack. Even our own friends must have wondered if there is anything in it. We

in the Cabinet knew. I will apologize for taking up so much time. I will thank the honourable members opposite for their courtesy and kind attention to what I have said. I hope we will get through our business rapidly in this session so that we can get back to work. Now, I know it is work here too. I hope the Editor of the Evening Telegram won't lose too many nights' sleep over the amount of sessional pay we get here in the sessions.

MR. CASHIN: He is sore; he is getting none himself.

MR. SMALLWOOD: I do hope he won't have too many sleepless nights. I think if we are here for a few weeks we will have earned from the public treasury three or four or five hundred dollars.

MR. CASHIN: You intend to meet every afternoon.

MR. SMALLWOOD: Every afternoon and night and morning. Let us get the work done here for Newfoundland, we fight and scrape the floor but every honourable gentleman is anxious and eager as we to get the work done here and are just as sincerely anxious to push Newfoundland, get her on the map and push economic development legislation. Let us join together as one House for the building up of this Island and Province every one of us loves.

Moved and seconded a special committee be appointed to draft an Address in Reply to the Speech from the Throne.

MR. SPEAKER: Honourable members to constitute the Committee are:

Hon. member for Fortune Bay and Hermitage.

Hon. member for White Bay.

Hon. Leader of the Opposition.

**Presenting Petitions**

None.

**Reports of Standing and Select Committees**

None.

**Giving Notice of Motions and Questions**

MR. SMALLWOOD: Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a Bill "An Act to Approve and Give Statutory Effect to An Agreement between the Government and Asbestos Limited," and a Bill "An Act to Approve and Give Statutory Effect to an Agreement Between the Government and Canadian Machinery and Industry Construction Limited" and a Bill "An Act to Approve and give Statutory Effect to an Agreement between the Government and Newfoundland Tanneries—William Dorn, Limited."

MR. CASHIN: I did not anticipate anything this afternoon, but I am a bit inquisitive. Mr. Speaker, I give notice of the following questions.

1. To ask the honourable the Minister of Finance to table the following information:

(1) A copy of the Report of the Comptroller and Auditor General for the fiscal year ending March 31st, 1951.

(2) Total amount of Cash Surplus remaining to the credit of the Exchequer as at September 30, 1951, in the Bank of Montreal in St. John's, as well as the total amount to the credit of the Province of Newfoundland on deposit with the Federal Government at Ottawa.

(3) The Cash Surplus to the credit of the Newfoundland Savings Bank as at March 31st, 1951 or December 31st, 1950.

(4) The total Ordinary Revenue, exclusive of subsidies from the Federal Government, received from April 1st, 1951, to September 30th, 1951. This information to be given under the various departmental headings.

(5) Total Subsidies received from the Federal Government from April 1st, 1951, to September 30th, 1951. This information to be given, showing any Grants for Health and Welfare Departments, separate from Subsidies and/or Transitional Grants.

(6) The total Ordinary Expenditure shown under the various headings, from April 1st, 1951, to September 30th, 1951.

(7) The total Capital Expenditure under the various headings, from April 1st, 1951, to September 30th, 1951.

(8) The Grand Total Expenditure under the various headings from April 1st, 1951, to September 30th, 1951.

(9) The Grand Total Expenditure from April 1st, 1951, to September 30th, 1951.

2. To ask the honourable the Minister of Finance or the appropriate Minister to table the following information:

(1) Under what Department does the Loan Board headed by Mr. Baxter function?

(2) Give a statement showing the number of people employed by this Loan Board, together with the salaries per annum that each receives.

(3) What loans or advances have been made or recommended to be made by the Baxter Loan Board since it came into existence?

(4) Give the names of the Corporations or individuals to whom such

advances have been made and what security the Government has received for such advances.

3. To ask the honourable the Minister of Finance and/or appropriate Minister to table the following information :

(1) A statement showing the actual Cash Loans made to various Industries (such as Fisheries Development, etc.) outstanding at the present time. This information to include Loans granted by the Commission of Government prior to April 1st, 1949; giving the names of the various Corporations or individuals to whom such loans were granted.

(2) A statement showing Bank Guarantees given various Corporations or individuals by the present Administration, from April 1st, 1949, to date; together with the names of these Corporations or individuals to whom such advances were made.

With reference to these two questions, give all particulars as to terms, etc.

4. To ask the honourable the Minister of Finance and/or the appropriate Minister to table the following :

(1) A statement showing the total amount advanced for the construction of the Birch Plant at Donovan's, from the time of its inception to the present date; as well as any information relative to any further requirements this Company may need to complete the plant.

(2) A statement showing the total amount advanced for the construction of the Cement Plant at Corner Brook, giving the total cost of this plant to the Government, as well as tabling a statement showing any contracts

which might have been made for the sale of the cement product. Also whether or not the plant is for sale and if negotiations have taken place or are in the course of negotiation regarding the sale of this particular plant.

Give full particulars with respect to the present standing of this particular industry which would include its total cost to the Government from its inception up to the present time.

Also, from whom the machinery was purchased for this plant; the total cost of said machinery; who inspected the machinery on behalf of the Government and who gave a certificate, if any, with respect to the condition of such machinery.

5. To ask the honourable the Minister of Finance and/or the appropriate Minister to table the following information :

(1) A statement showing the total amount advanced for the construction of the Gypsum Plant at Corner Brook, giving the total cost of this plant to the Government, as well as tabling a statement showing any Contracts which might have been made for the sale of the Gypsum product.

Also, whether or not the plant is for sale and if negotiations have taken place or are in the course of negotiation regarding the sale of this particular Plant.

Give full particulars with respect to the present standing of this particular industry which would include its total cost to the Government from its inception up to the present time.

Also, from whom the machinery was purchased for this Plant; the total cost of said machinery; who inspected the machinery on behalf of the Gov-

ernment and who gave a Certificate, if any, with respect to the condition of such machinery.

6. To ask the honourable the Minister of Public Works to table the following information :

(1) A statement showing the total amount expended by the Provincial Government on the construction of the Trans-Canada Highway in Newfoundland; as well as the total amount advanced by the Federal Government for this particular work, during the fiscal year 1951-52.

(2) Were any negotiations made with Construction Firms from the mainland for the building of bridges on this particular road, and what was the result of such negotiations?

(3) With respect to the paving of the Highway from Waterford Bridge to Doyle's Bridge in the District of St. John's West, give the following information :

(a) The approximate cost per mile for the work performed.

(b) Were any negotiations entered into for the acquisition of certain lands to widen the road in this particular territory; what were the results of such negotiations; with whom were the negotiations made; and has the Government any intention of exercising its rights to expropriate the land in question, which has evidently held up certain work in this territory, thus retarding the completion of this particular section. Who are the people who refused to co-operate with the Government in letting the public have the necessary property to complete the job; and what intentions have the Government in this particular matter?

7. To ask the honourable the Minister of Public Works to table the following information :

(1) What has been the total cost to the Provincial Government for the construction of the Sanitorium at Corner Brook?

(2) What Company or Companies performed the work?

(3) What amounts did each Company receive for their services?

8. To ask the honourable the Minister of Public Works to table the following information :

(1) When will the new wing at the Mental Hospital be completed and ready for occupation?

(2) What has been the total cost of this new wing up to the present time?

(3) What amount, if any, has the Federal Government contributed towards the construction of this new wing?

(4) Give the names of the companies who performed the work, together with the amounts paid each company?

(5) What amount of money is it anticipated will be necessary to finish these buildings before they are ready for occupation and operation?

9. To ask the honourable the Minister of Public Works to table the following information :

(1) The total amount expended by that Department for travelling expenses to date during the present fiscal year; to whom the amounts were paid; and what services were rendered in connection with such travelling?

10. To ask the honourable the Minister of Public Works to table the following information :

(1) The total cost to the Provincial Government of Newfoundland for the construction of the Trans-Canada Highway during the past two years?

(2) How many miles of road were constructed?

(3) What companies performed the work?

(4) How many miles did each company build?

(5) What was the amount paid each company for such work?

(6) How many bridges were built?

(7) Give the names of the companies who constructed the said bridges, and the cost of each bridge.

11. To ask the honourable the Minister of Justice to table the following information :

(1) A statement showing the total amount expended by that Department for travelling expenses to date during the present fiscal year; to whom the amounts were paid and what services were rendered in connection with such travelling?

12. To ask the honourable the Minister of Justice to table the following :

(1) A statement showing amounts paid for Legal Services to members of the Legal Profession not on the permanent staff of the Justice Department, from January 1st, 1950, to date. What services were performed for such expenditures?

13. To ask the honourable the Premier to table the following information :

(1) Is it the intention of the Government to carry out the provision of the Election Act by having a by-election in the District of Burgeo and LaPoile to fill the vacancy created by the appointment of the honourable Mr. Quinton to the Senate?

14. To ask the honourable the Minister of Economic Development to table the following information :

(1) The Report of the Power Corporation of Canada relative to the Survey which they made in connection with the waterpowers in the Bay D'Espoir territory.

(2) Also statement showing the total amount paid this Corporation for the preparation of the Report and for the making of the Survey.

15. To ask the honourable the Minister of Economic Development to table the following information :

(1) The Report submitted to the Government by the Rockefeller Organization known as "IBEC"; which Report presumably covers a survey of Labrador areas and the possibility of the establishment of another Pulp and Paper Mill.

(2) At the same time, inform the House the total amount paid to "IBEC" for this particular Survey and Report.

16. To ask the honourable the Minister of Economic Development and/or appropriate Minister to table the following information :

(1) Whether or not any work has been performed by the Newfoundland—Labrador Corporation, Limited, during the past few months, such as surveys or prospecting in the Labrador territory concerned?

(2) Give a Financial Statement of the Company at the present time, advising the House whether or not the Government has paid into the Treasury of the Company the \$900,000 as provided for under the Legislation; and whether or not the other parties to the Agreement have subscribed their amount of \$100,000 under the same agreement?

(3) Give the latest report of the company.

17. To ask the honourable the Premier and Minister of Economic Development to table the following information:

(1) A statement showing the total amount expended by these two Departments for travelling expenses to date during the present fiscal year; to whom the amounts were paid and what services were rendered in connection with such travelling.

18. To ask the honourable the Minister of Economic Development to table the following information:

(1) Give a statement showing the names of all personnel employed in the Department whose services have been acquired in Europe.

(2) Give the specific positions each individual occupies, together with salaries paid them.

(3) Was free transportation provided to bring these people from Europe; if not, what arrangements were made in this respect?

19. To ask the honourable the Minister for Economic Development and/or the appropriate Minister to table the following information:

(1) What was the total cost to the Province for the campaign to "Buy Newfoundland Products" instituted during the fiscal year 1950-51?

(2) Give a detailed statement of the amounts paid; and to whom they were paid; together with certified accounts of such payments.

(3) Give the names of the individuals who had charge of this particular campaign, as well as the amounts paid each individual for services rendered in connection with this particular campaign.

20. To ask the honourable the Minister of Economic Development and/or the appropriate Minister to table the following information:

(1) A statement showing the properties purchased by the Government for the establishment of certain industries in the Province; the amount paid for such properties and the persons or companies to whom such amounts were paid.

21. To ask the honourable the Minister of Economic Development to table the following information:

(1) What machinery and/or equipment has been received from Europe during the past six months to be used in the erection and establishment of certain new industries in Newfoundland?

(2) What is the value of such machinery?

(3) Who inspected the machinery on behalf of the Government?

(4) If no inspection was made, why not?

22. To ask the honourable the Minister of Education to table the following information:

(1) A statement showing the total amount expended by that Department for travelling expenses to date during the present fiscal year; to whom



the amounts were paid and what services were rendered in connection with such travelling.

23. To ask the honourable the Minister of Fisheries and Co-operatives to table the following information :

(1) What is the present situation with regard to the marketing of the 1951 Salt Codfish product?

(2) Give a written statement covering this whole affair, and advise the House what steps, if any, the Government has taken with regard to the marketing of the 1951 Salt Codfish catch.

24. To ask the honourable the Minister of Fisheries and Co-operatives to table the following information :

(1) A statement showing the total amount expended by that Department for Travelling Expenses to date during the present fiscal year; to whom the amounts were paid and what services were rendered in connection with such travelling.

25. To ask the honourable the Minister of Fisheries and Co-operatives to table the following information :

(1) A copy of the Report or Interim Report made by the Royal Commission inquiring into prices paid for fish during the year 1950 :

(2) Who were the members of the Commission and what remuneration did each receive, if any.

26. To ask the honourable the Minister of Supply to table the following information :

(1) A statement showing the total amount expended by that Department for travelling expenses to date during the present fiscal year; to whom the amounts were paid and what ser-

vices were rendered in connection with such travelling.

27. To ask the honourable the Minister of Supply to table the following information :

(1) What was the total cost of the equipment and furnishings purchased for the Sanatorium at Corner Brook?

(2) From what company or companies were such furnishings purchased? Give the names of such companies, together with the amounts paid to each;

(3) Were tenders called for this particular equipment? If so, table a copy of such tenders.

28. To ask the honourable the Minister of Provincial Affairs to table the following information with respect to the Housing Corporation :

(1) How many houses are now in the territory known as "The Housing Corporation"?

(2) How many of such houses have been sold?

(3) The total sum agreed to be paid for such houses and what amount has been paid on account, to date?

(4) How many houses are rented?

(5) What is the total rent per annum?

(6) What has been the total cost of the construction of all houses; the price to include the value of the land?

29. To ask the honourable the Minister of Provincial Affairs to table the following information :

(1) The total number of Apartment Buildings administered by the Corporation;

(2) The number of Apartments in each building;

(3) The total annual rental for all apartments;

(4) The total cost of fuel for the various buildings;

(5) The salaries paid for management of the buildings;

(6) The total amount of fire insurance on said buildings, and the rate per annum;

(7) With what company or companies are the buildings insured, and what is the amount carried by each company;

(8) The total municipal taxes paid annually for all apartment buildings;

(9) Apart from the Board of Directors of the Housing Corporation, who is directly responsible to the Board or to the Government for the administration of the entire Housing Corporation and what salary or salaries are being paid for such services?

(10) What is the total indebtedness of the Housing Corporation at the present time to the Newfoundland Provincial Government?

(11) What is the indebtedness of the Housing Corporation to the St. John's Municipal Council at the present time?

30. To ask the honourable the Minister of Labour to table the following information :

(1) A statement showing the total amount expended by that Department for travelling expenses to date during the present fiscal year; to whom the amounts were paid and what services were rendered in connection with such travelling?

31. To ask the honourable the Minister of Public Health to table the following information :

(1) What reason did Dr. Charles Roberts give for his resignation as Superintendent of the General Hospital?

(2) Did Dr. Roberts have any differences of views of the administration of the General Hospital with the officials of the Department of Health; if so, explain such differences?

(3) Who is now Acting Superintendent of the General Hospital; and is it the intention of the Government to make a permanent appointment to this position, and when will such appointment be made?

(4) What progress has been made with regard to the establishment of a hospital in the District of Ferryland; or nursing stations as substitution for such hospital. It no progress has been made, when is it intended to do something in this respect?

(5) Have certain medical officers resigned their positions in any constituency in the Province and if so why such resignation? Have any differences arisen between medical officers under Government supervision practising in outlying settlements which caused such resignation? Table all particulars in connection with this particular matter.

(6) How many motor cars are operated by the Department of Public Health?

(7) Have any new vehicles been purchased during the present fiscal year; if so, how many; from whom were they purchased and what prices were paid for each particular vehicle?

(8) What are the total expenses in the Public Health Department for the operation of motor vehicles; this to include salaries paid to mechanics or chauffeurs, as well as general repairs, gas, oil, etc.?

(9) For what services are these cars employed. Are any of them employed in other work apart from the Health Department? Give all particulars.

32. To ask the honourable the Minister of Public Health to table the following information :

(1) A statement showing the total amount expended by that Department for travelling expenses to date during the present fiscal year; to whom the amounts were paid and what services were rendered in connection with such travelling.

33. To ask the honourable the Minister of Public Welfare to table the following information :

(1) A statement showing the total amount expended by that Department for travelling expenses to date during the present fiscal year; to whom the amounts were paid and what services were rendered in connection with such travelling.

34. To ask the honourable the Minister of Public Works to table the following information :

(1) Give the names of all personnel of foreign origin employed by the Highroads Department; give the specific positions they hold and the salaries being paid.

(2) Did the Government pay their transportation from Europe; if so, is it the Government's intention to deduct such amounts from the pay of the individuals concerned?

MR. HIGGINS: I apologize rising at this late hour and give notice; I will be very short, I have only one question to ask for tomorrow. I give notice that I will on tomorrow ask the honourable the Premier to table the following :

(1) Did Harriman-Ripley & Company Incorporated disassociate themselves from the Crown Corporation?

(2) Is the Premier prepared to give the House an assurance that Harriman-Ripley & Company Incorporated have either irrevocably committed themselves to the Crown Corporation or have given an irrevocable undertaking or commitment thereof? And if so, to what extent?

MR. SMALLWOOD: Mr. Speaker, I move the House at its rising do adjourn until 3:00 o'clock tomorrow.

The House adjourned accordingly.

THURSDAY, October 25, 1951.

The House opened at three of the clock.

HON. J. R. SMALLWOOD (Prime Minister): Mr. Speaker, I should like to invite the attention of the House for a moment to a very fine addition, decorative and symbolic addition made to the Chamber since we last met in it. I refer to the Newfoundland Coat of Arms which is immediately above His Honour's Head. This was carved by hand by a Newfoundland, Mr. Thomas Pottles, a carpenter in the Fire Department of St. John's. Mr. Pottles also painted the crest and I think the House will agree that not alone is this crest an addition to the Chamber but is also a credit to the craftsmanship of Mr.

Pottles whose work has attracted so much favourable attention in the past. I thought I should draw the attention of the House to this new crest.

#### Presenting Petitions

None.

#### Presenting Reports of Standing and Select Committees

MR. COURAGE: Mr. Speaker, the select committee appointed to move an address in reply to the Speech from the Throne have met and I beg leave to move the adoption of the following address:

To His Honour the Lieutenant Governor, Sir Leonard Cecil Outerbridge, Knight Bachelor, C.B.E., D.S.O.

May it please Your Honour:

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

(Sgd.) JOHN R. COURAGE.  
JOHN G. HIGGINS.  
SAMUEL DROVER.

Assembly Room,  
Oct. 25th, A.D., 1951.

MR. SMALLWOOD: Mr. Speaker, I assume that my honourable friends opposite are not ready to debate the motion. It is upon this motion that the debate takes place on the Speech from the Throne, the motion to adopt this report; if the motion is put now there would be no debate and I do not assume that it is the desire of the House especially of my honourable friends across the floor that

such should be done. On the other hand I assume also that they are not prepared to proceed with the debate because His Honour's Speech of yesterday lies on the desk of the members and I would assume that by tomorrow the House would be ready to proceed with the debate. I hope that the session can be reasonably short and that the debate can be terminated within a reasonable period of time so that, first, it will not drag as it has had a tendency to do in other such sessions; and secondly, that the way will be clear in the House for the transaction of other business of the session. For that reason, Your Honour, I hope my honourable friends opposite will be prepared tomorrow to commence the debate. How many members of the House, taking both sides, are anxious to take part in this debate I do not know. I would imagine that some members at least on this side would wish to speak, and some, if not all, on the other side, likewise. But I do hope that we will be ready to begin the debate on tomorrow and not like the Winter session, with the Winter and Spring ahead, but this is a Fall session and we have a fairly considerable amount of public business to do today and for that reason the address on the debate in reply can be begun tomorrow and terminated as soon as reasonably possible thereafter.

Now, I am not going to make a motion because I do not wish to lose my opportunity to participate in the debate, I am merely speaking on behalf of the Government and of the whole House in this matter, and I would suggest that some honourable member move the adjournment of the debate. If he is not prepared actually to proceed now with the debate, which I assume is possibly the case,

would some member please move the adjournment of the debate.

MR. RUSSELL: Mr. Speaker, I move the adjournment of the debate until tomorrow, at which time I propose to speak on the motion.

Carried.

MR. SPEAKER: Meanwhile the report has been received and will lie on the table of the House.

HON. DR. H. L. POTTLE (Acting Minister of Natural Resources): Mr. Speaker, may I draw the attention of the honourable House to the fact that complimentary copies of "The Birds of Newfoundland" have been placed on the desk of each honourable member. The purpose of doing this, Mr. Speaker, is not, as was banteringly suggested already, to act as a decoy to distract the attention of honourable members from speeches that may be made on the opposite side of the House. More seriously it is a contribution to the natural history of Newfoundland and we believe it does achieve that end, and it is placed on the desk of members for their pleasure as a compliment from the Acting Minister of Natural Resources.

MR. JOHN G. HIGGINS (Leader of the Opposition): Mr. Speaker, I hope the honourable Minister's point is unintentional.

#### Giving Notice of Motions and Questions

MR. HIGGINS: Mr. Speaker, I give notice that I will on tomorrow ask the honourable the Premier:

1. When will Hansard be published?

2. How much of it is ready for publication at present?

Also to ask the honourable the Premier:

1. Did the Premier receive any expert advice regarding the Seigheim enterprise before he brought the matter before the House?

2. Did he obtain or seek a financial report on Dr. Seigheim or his associates? If so, please table the report.

Also to ask the honourable the Premier:

1. To set out categorically the various industries the Government intends to start.

2. Where will they be situated?

3. How are they to be financed?

4. Has the Government received any expert advice or report on them from qualified independent industrialists or technical experts? If so, please table the reports.

5. How will the various industries be manned?

6. How many people does the Government anticipate will be brought in from outside?

#### Notice of Motion

Honourable the Premier to ask leave to introduce a Bill "An Act to Approve and Give Statutory Effect to an Agreement Between the Government and Canadian Machinery and Industry Construction Limited."

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

Honourable the Premier to ask leave to introduce a Bill "An Act to Approve and give Statutory Effect to an Agreement between the Government and Newfoundland Asbestos Limited."

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

Honourable the Premier to ask leave to introduce a Bill "An Act to Approve and give Statutory Effect to an Agreement between the Government and Newfoundland Tanneries—William Dorn Limited."

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

MR. SPEAKER: Questions 1 to 34, Mr. Cashin, addressed to various Ministers. Question 35, Mr. Higgins, addressed to the honourable the Premier.

MR. SMALLWOOD: I may say, Mr. Speaker, speaking generally, all of us Ministers here see these questions for the first time now on the Order Paper. Yesterday we heard them read, but we had not until now seen them in printed copies. Of course they have been delivered, or I assume they have been delivered, to the various departments from which we will receive them in due course. With regard to the particular question number 35, I can give the answer to that out of hand and will not wait for consultation or reference to documents or papers.

35 (1) The answer is, no. They did not, have not, and will not.

(2) The answer is, no. If the question means, have they paid the cost into the Treasury of Corporation, the answer is they have not, nor has the Government. No one has paid any cash capital or any cash into the Treasury of the Corporation. If the question is, have Harriman-Ripley committed themselves to the present situation, now the position is, Mr. Ripley, the head of Harriman-Ripley, is due to arrive here in St. John's in the next month; he was due to arrive on

November 11th, until it was pointed out to him that that is the date on which Her Royal Highness the Princess Elizabeth and the Duke of Edinburgh are due to arrive here and we have asked Mr. Ripley to postpone his visit a few days. He proposes to spend some two or three weeks here, not in St. John's alone, but to make a tour of the Island to see for himself at first hand something of our position, something of our resources. Mr. Ripley will be accompanied by other directors of the Corporation who, together with the Newfoundland Directors, will hold the first directors' meeting of the Corporation, whereupon all the formalities arising out of the Corporation will be proceeded with without delay, the capital paid into the treasury of the Corporation and the Corporation becoming a financial body. It proved to be too late after the legislation was passed in this Chamber and received the Royal Assent to do anything this year in 1951, by way of performance of the functions for which the Corporation is being set up. For which reason there appeared to be no particular reason to rush the actual formality, more especially in view of the fact that some of us had to be absent from Newfoundland. So it was left until the Fall so that during the remainder of the Fall and Winter active planning may be done for a programme during the Spring and Summer of next year. I hope that is the answer the committee and my honourable friend wish to have.

#### Orders of the Day

Second reading of Bill "An Act to Amend the Industries Act."

HON. LESLIE R. CURTIS (Attorney General); Mr. Speaker, I move the second reading of this Bill and I

would ask the pleasure of the House to have it read a second time at such short notice. Not that the notice is unusually short, but one does not expect to get down to business as early as this in the session; because of our desire to make a short session, we wish to proceed with it now.

The Bill before the House is a Bill to facilitate new industries by securing the necessary land on which to build. As the honourable members will notice, it is customary in every bit of legislation that deals with the bringing in of new industries, to give that industry the right to expropriate land. I think Bowaters had that right when they made an agreement with the Government; I think the A.N.D. Company had that right, and I think it is the universal practice when a company comes here under contract with the Government to advance industry they have certain rights of expropriation. It is necessary that industry has that right because otherwise they would be very considerably delayed, and perhaps, in fact, if there were no such legislation it might be necessary in certain cases for the industrialists to abandon the idea of setting up here altogether.

My learned friend, the Leader of the Opposition, knows that particularly in Newfoundland the title to land is not very clear and if an industry had to wait until the title to small pieces of land which might be involved were cleared up, the time for starting would have elapsed.

MR. HIGGINS: Suppose you do not know who the owner is?

MR. CURTIS: In that case the matter is placed in court and after three years it reverts to the Crown in accordance with provisions of section 16 (2). I would therefore, Mr.

Speaker, move the second reading of this Bill, which adds to the Industry Act which we passed at the last session, clauses empowering the Minister of Economic Development with the consent of the Lieutenant Governor in Council, to acquire land by purchase or otherwise and also to give him the right to expropriate land where it cannot be secured otherwise. The Act follows closely the Public Works Act and sets forth the principle of compensation, the appointment of a board of assessors, payment of land and payment to the courts in the case of no owner being available, it provides for the repayment if the money is not claimed and lastly provides for the award and the land may be expropriated. I do not think I need to read the various clauses but I would like to add one thing; my honourable friend the Leader of the Opposition will appreciate the need for the expropriation powers in the case of an infant—as is known an infant cannot sell land. If there is a piece of land vested in an infant it is practically impossible to make arrangements to get title to it from that infant. In such a case expropriation procedure such as these assure the interest concerned of good title.

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

Bill read a second time.

MR. SMALLWOOD: Mr. Speaker, I think this is the only business we are legally permitted to do under the Rules of the House; if we refer it to Committee of the Whole until tomorrow, we will have to rise and adjourn until tomorrow. As we have adopted the principle of the Bill, would the House be ready to go into Committee on the clear understand-

ing that any point that arose would be deferred, and we could go into Committee of the Whole, not to adopt everything in Committee of the Whole today, but to defer any point whenever any honourable gentleman wishes to have it deferred for further consideration. I do not mean to dispose of it but just to read it over and leave over any point honourable gentlemen may wish.

MR. HIGGINS: I do not like the principle. It is a very vicious trend and the public should know the things that are going on. The idea of this Act—I am quite willing to go on, providing we can go back and not regard anything as passed. I am quite willing then.

MR. SPEAKER: It is my understanding that the Bill now be referred to Committee of the Whole where no clauses will be passed on except those on which there is general agreement.

Committee of the Whole on Bill "An Act to Amend the Industries Act, 1951."

Section 1 read.

MR. HIGGINS: In the first line, is that the proper title of the Industries Act?

MR. CURTIS: My department is very careful on things like this and I think you will find it is correct. However, I will check it up between now and tomorrow.

Section 1 passed.

Section 2 read.

MR. HIGGINS: Would that cover the case where it is not known who is the owner of the land? Would that cover that?

MR. CURTIS: That would take effect no matter who owns it.

MR. RUSSELL: 9 (2)—the purpose of this is for the Crown?

MR. CURTIS: Yes, everything to be done shall be done by the Government and then passed over to the industry. We do not want everybody to have a right.

MR. SMALLWOOD: For example, suppose you bring in an European, a German or Swedish firm or any European firm, the Government is instrumental in bringing them in or probably they come in on their own; would you give an European concern, even with all the goodwill in the world, the right to just step out on their own to expropriate land? Would it not be better and the public interest be guarded, protected, by having the Government do it? That is especially true of the European companies. We do not want our people to feel foreigners are going to come in and grab their land on them.

MR. RUSSELL: Section 8 answers my question. Mr. Chairman, I shall now make a comment to pave the way for discussion on tomorrow. There is to be a board of assessors, two by the Minister, and a third by the owner of the property. If we are not careful the Minister will appoint all these, and the finding of any two is final. Would it not be just as well to go ahead without appointing a board, they have a majority.

MR. CURTIS: This is a direct copy of the Board of Public Works Act.

MR. HIGGINS: It is not a good system.

MR. CURTIS: No, but it is a little better than the board for American Claims which was entirely done by the Government.



MR. RUSSELL: Anyhow it is entirely up to the Minister.

MR. HIGGINS: The position is that the owner appoints a man.

MR. CURTIS: As a matter of fact these boards are generally very generous. If they err at all it is on the side of generosity.

MR. RUSSELL: The Minister has all to say on such a board.

MR. HIGGINS: There is a matter on page 5. Here is a commercial proposition being taken up in this country, going to build a factory, and take land belonging to an owner which he may need but which he will be paid for. He may need the money immediately but must wait for six months; that money should be paid immediately. That is not compensation.

MR. CURTIS: We must check that; it is copied from the other Act.

MR. HIGGINS: 11 (4)—I presume, I suppose they must give limits of the boundaries of the land which they need.

MR. CURTIS: The point is, I think, the title passes and immediately the notice is given—

MR. HIGGINS: The Housing Corporation pay no fees.

MR. CURTIS: There are no fees at all in the Housing Corporation.

MR. HIGGINS: That is a public body; these are not public bodies, just industries.

MR. CURTIS: I presume the Government will look after itself. This document is in the name of the Government. They do the expropriation and not pass it over until later.

MR. HIGGINS: The Government does not presume to make money.

MR. CURTIS: I presume they will collect to cover the cost.

MR. HIGGINS: If the assessors do not put the proper value on the land how are the Government going to add on fees for registration when there are no fees? Who makes up the the cost, who makes out an expense? Remember the Government intends to give this to private enterprise.

MR. CURTIS: They should be exempt from fees. They can give certificates and registration documents free.

MR. HIGGINS: And should there be fees for private enterprise and industries?

MR. CURTIS: I think we are taking a chance on losing \$2 or \$3 in fees that might be involved. I think it is a point which might be considered and I thank you for raising it.

Section 2 passed.

Section 3 read and passed.

The Committee rose, reported progress, and asked leave to sit again on tomorrow.

Leave granted.

MR. SMALLWOOD: Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a Bill "An Act to Approve and Give Statutory Effect to An Agreement Between the Government and United Cotton Mills Limited."

That being, Mr. Speaker, all that we can legally do today at the second sitting of this session, I move the House at its rising do adjourn until tomorrow, Friday, at 3:00 of the clock.

The House adjourned accordingly.

FRIDAY, October 26, 1951.

The House opened at three of the clock.

HON. J. R. SMALLWOOD (Prime Minister): Mr. Speaker, I am in receipt of a letter which I think I ought to read to the House and table here. It is from Mr. Lurje, 253 West, 76 Street, New York, 23, N.Y.:

"ELJA LURJE  
253 West 76th St.  
New York, 23, N.Y.

October 9, 1951.

Honourable J. R. Smallwood,  
Premier of Newfoundland,  
St. John's, N.F.,  
Dear Mr. Smallwood,

After reading an article in the Jewish newspaper "The Day" I feel it my duty to write to you concerning the person therein Dr. Alfred A. Valdmanis.

I was a Latvian citizen and I am of Jewish descent, and have lived in Riga, Latvia, since 1924. In 1941 I was in a concentration camp in Riga and in 1944 I was taken to Stuthoff, Germany.

While in Riga, I was active in business and thoroughly familiar with Latvian affairs. I know Dr. Valdmanis since 1927 and am aware of his activities.

He was at all times a just and fair man. He practised and advocated the democratic way of life. He was at all times ready to help people and never exhibited any racial prejudice or bigotry. His friendship to all was well known

and his character and integrity was unimpeachable.

The statements appearing in "The Day" are gross and malicious lies.

You may use this letter for any purpose you wish.

Yours very faithfully,

(Sgd.) Elja Lurje."

Attached is a photostat copy of a letter from the Government of Israel:

"Ministry of Foreign Affairs,  
Political Department,  
28.7.49  
8/8/Icn.

This is to certify that

Mr. E. D. LURJE

was a member of the Executive of the Zionist Federation in Latvia (Riga) in 1932-34. As a former Vice-President of the same Federation I know him personally as a devoted Zionist of a good reputation.

(Sgd.) B. Gureviez,

Chief of Department."

I table this letter so that it may be available to members of the House and members of the press.

#### Presenting Petitions

None.

#### Presenting Reports of Standing and Select Committees

None.

#### Giving Notice of Motions and Questions

HON. LESLIE R. CURTIS (Attorney General): Mr. Speaker, I give notice I will on tomorrow ask leave to

introduce a Bill "An Act to Amend the Automobile Insurance Act, 1951."

Also a Bill "An Act Further to Amend the Alcoholic Liquors Act, 1949."

MR. CASHIN: Mr. Speaker, I give notice that I will on tomorrow ask the honourable the Minister of Finance to table the following information:

1. How much revenue has been collected under the heading "Social Security Tax" from April 1st, 1951, to September 30th, 1951?

2. If possible, give the amounts collected from each Electoral District under this heading.

3. Has this particular revenue been deposited in a separate account in the Bank, and used solely for Social Services, or is it deposited to Exchequer Account and included in all other sources of revenue?

MR. JOHN G. HIGGINS (Leader of the Opposition): Mr. Speaker, I give notice that I will on tomorrow ask the honourable the Minister of Natural Resources:

1. Will he give some idea to the House as to the amount of farm produce forming this year's crop?

2. Is his Department making any effort to help the farmers to dispose of their crop?

3. Are the farmers finding it difficult to dispose of their crop?

Also to ask the honourable the Minister of Fisheries:

1. What is the policy of the Government regarding the fisheries?

2. Will the Government say, in view of certain things that have happened,

whether it is the intention of the Government to nationalize the fisheries?

3. Is it the intention of the Government to fix prices and control the fisheries?

MR. FOGWILL: Mr. Speaker, I give notice that I will on tomorrow ask the honourable the Minister of Economic Development for the following information in regard to the cement plant at Humbermouth:

1. What is the yearly estimated production of cement in short tons?

2. Who is supplying the electric power to the plant?

3. What is the total connected electrical load in horsepower?

4. What is the rate being charged per kilowatt, table scale of rates?

5. What type of fuel is being used, oil or coal?

6. What is the storage capacity of fuel in gallons or tons?

7. What is the cost of fuel in gallons or tons?

8. What is the total estimated number of permanent employees to be engaged?

9. Table scale of wages to be paid to the various classifications, such as officials, tradesmen, office workers and labourers in the plant and at the quarry.

#### Notice of Motion

Honourable the Premier to ask leave to introduce a Bill "An Act to Approve and give Statutory Effect to an Agreement between the Government and United Cotton Mills, Limited."

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

MR. SMALLWOOD: Mr. Speaker, I have answers to one or two questions. The Report of the Auditor General for the year ending 31 March 1951 is presently in course of preparation and will be tabled in the House in due course.

Question 1. (2): Bank of Montreal, St. John's: Overdraft amounting to \$1,042,105.

On deposit with Federal Government: \$2,000,000.

Question 1 (5):

**Payments Received From Federal Government 1/4/51 to 30/9/51**

(i) Department of Finance.	
(a) Transitional Grant .....	\$3,250,000
(b) Subsidies in lieu of taxes rented.....	3,875,878
(c) Federal Subsidies .....	770,000
(ii) Department of Education	
(a) Grant-in-Aid, Vocational Training .....	39,097
(iii) Department of the Attorney General	
(a) Cost of Maintenance, etc., Federal Prisoners .....	11,506
(iv) Department of Public Works	
(a) Grant-in-Aid, Hospital Construction.....	134,074
(b) Grant-in-Aid, Trans-Canada Highway.....	152,637
(v) Department of Health	
(a) Expansion of Existing Health Services .....	255,375
(vi) Department of Public Welfare	
(a) Old Age Pensions	
(b) Family Allowance Investigations .....	1,032,449
	\$9,521,016

NOTE: The above figures are subject to Audit.

Question No. 2. I do not know who prepared that: evidently one part will be referred to the Minister of Fisheries and the other part to me; perhaps I can answer verbally with regard to Industrial Development Loan Board, maybe I cannot—what is question No. 2? The Economic Development Loan Board functions under the authority of the Act 1949, and is administered under authority of the Minister of Economic Development. The other two are administered under the Department of Fisheries and Co-operatives, that is, the Fisheries Loan Board and the Co-operative Loan Board.

MR. CASHIN: That will be answered by the other question giving the number of people employed.

MR. SMALLWOOD: I think there is only the chairman, the secretary, and the stenographer.

Number 3. This is now being prepared and will be tabled as quickly as possible. I think that is all I have today, but we will, of course, get them as quickly as possible, and while I am on my feet I have a reply to Question 36 from the honourable and learned Leader of the Opposition regarding Hansard. The proceedings of the first section, in two parts, is in the hands of the printers. Proofs of the first part of the proceedings have been received, corrected and returned, but no proofs of the second part have yet come to hand.

The proceedings of the second session, 1950, are ready to go to the printers.

Transcript of the third session, 1951, with the exception of four days proceedings, have been received from the Reporter, and are being corrected and re-typed.

Number 37: I certainly did receive a lot of expert advice before bringing it before the House. I certainly did receive more than one report on the financial standing of Dr Seigheim and his associates, not written reports, nonetheless authentic and good reports. I cannot table them because they are not written reports.

Number 38: The Government intends to start no industries, so properly I might stop there. The Government intends only to persuade others to start industries and I imagine that is what my honourable friend meant.

MR. HIGGINS: The cement factory is one you are going to run yourself.

MR. SMALLWOOD: That has already been started. The answer is, none. Now, I am not evading that question. If my honourable and learned friend is thinking of another matter altogether, how many we are trying to get going? We do not intend, ourselves, to start any industries but we are certainly trying to get others to start them.

MR. HIGGINS: I was going to ask that at the same time. If you are going to start none, how many do you intend to try to get started?

MR. SMALLWOOD: As long as that point is clear, I will see if I can answer this question as it reads.

(1) We have some twenty-three either started or in the process of negotiations.

(2) That is entirely a matter for decision of those who start the industries. I want to make it very clear the Government in persuading people to come to Newfoundland to establish industries certainly do not dictate to them where they are to be started; so long as they are in Newfoundland we are happy and we do not decide where to start them but leave that to them. They have to make money out of the industries to pay their way, pay dividends, make profits and pay the loan back and must have complete freedom to decide for themselves. We do not decide for them.

(3) I can give that without any difficulty whatsoever. All industries that we can get here who have no difficulty in getting dollar capital we expect to do it with their own money. Now there may be cases from the Mainland and the United States where people starting the industry are not short of dollar capital and are prepared to invest their own money. I may say, if my honourable and gallant friend does not mind, just a couple of weeks ago he and I, in Boston, had a long conference with a friend of his, a business man from New York with regard to the possibility of a pulpwood mill. Now that gentleman represents, I believe, substantial financial interest and if they should establish a pulp mill in Newfoundland I would rather doubt they would need any financial assistance from the Newfoundland Government. Other people on the Mainland of Canada and in the United States are negotiating with us and in those cases I doubt very much whether they will

need any financial assistance, but there are cases, most especially in the United Kingdom and on the Continent of Europe, where they just have not got the dollars, have not got any money to come over here to talk to us, they have to go to their Government and get their Government to sell them enough dollars to pay their hotel bills when they get here. In such cases we say to them, Newfoundland is interested in getting industries started and if you come over to start an industry in Newfoundland we will welcome you if you will bring your machinery and equipment, steel structure and other building material and land them in Newfoundland, how you do it is none of our business we are concerned only when you land those things on Newfoundland soil. When you land them they have a certain value and whatever the value is we will match it with dollar loans up to say a ten year loan, we will take a complete mortgage, a first mortgage on the whole of the assets of the company which has to be a Newfoundland Company, has to be incorporated within Newfoundland and that Newfoundland Company owns the property but the Newfoundland Government takes a mortgage on everything as security for financing the total cost of the industry. That is how they are to be financed.

(4) We have indeed, but these generally are not written reports.

(5) We say to these new industries, especially those of them that are new to Newfoundland, the type of industry that has never been here before, for example, a cotton textile mill, we say to such new type industry; you must have your experts, skilled, key technicians, we have not got them, we will allow you to bring to Newfoundland your necessary key technicians

but we expect you at the time when you begin to operate as rapidly as possible to train Newfoundlanders to take even those jobs, the key technical jobs. In the meantime the regular employment will be Newfoundlanders, in no case in these industries will fewer than 90% of the men or women employed be Newfoundlanders.

(6) That will depend entirely upon the number of industries at the rate of ten percent of all the employees being brought in and 90% being Newfoundlanders, I would like to see five or ten or twenty thousand, that would give us a population of far over a million people.

I think that answers the question as best I can.

#### Orders of the Day

Adjourned debate on the Speech from the Throne.

MR. RUSSELL: Mr. Speaker, I want Sir, first of all to compliment the two honourable gentlemen who moved and seconded that address, the one now under discussion that an address be drafted to His Honour in reply to the Speech from the Throne. I genuinely, sincerely say that they deserve congratulations both on the material and the manner in which that material was presented.

Before discussing the speech in some detail there are one or two odds and ends I would like to clear up. The honourable gentleman on my left told me on Wednesday, at the time when the House opened that there was a rumour on the go, which was to the effect that I was going to go back across the House, but that did not win the prize for rumours that day. The prize one was that there is an honourable gentleman coming

down to start a new political party, what a ridiculous rumour! Anyway, the one about myself was ridiculous, because, Mr. Speaker, I am personally willing to go over there any time at all, let there be no doubt at all, I do not set a lot of store on what side of the House I speak from. If I were to go over there now, I think, probably in ten or fifteen minutes they will like me but before I am finished, it would be get out, get over on the other side because there are times when I give credit where credit is due and times I must criticize. In other words, Mr. Speaker, my mind is so that rather than carry the seat back and forth I may as well stay here because I am not going to carry it and if I had it carried over there it would have to be brought back and forth. Possibly the newspapers will call me independent but as far as I know I am still a Liberal and the attitude taken by me in this House on certain points seems to me to be in accordance with good Liberal principles. I maintain the House of Assembly is not the Lieutenant Governor in Council and as much power as possible should be exercised by the House. That is good Liberalism. I have never said a nasty or unkind word to any member on any side even under extreme provocation. There is nothing short of Liberal about that. I agitated and probably still will more during the probably short time that remains to me here for information to be given the public. But the only thing I know to ask about new legislation is that sufficient information be given that I may be able to give a reasonable decision as to whether or not I must vote for or against it. That is Liberal, so are the other things. But, Sir, I do not take party allegiance too seriously as is far too well known; as far as I am concerned if the Premier

is Smith and the Leader of the Opposition, Jones, it is just as well to call them the "Smith" party and the "Jones" party because there is no party line any more even within parties. The present Government is Liberal. Very well, but some of their policies and some of their activities are as Tory as the Duke of Wellington ever was; as an example, the policy of assisting by loans to the fresh fish industry is a Tory policy tending more and more to concentrate power in industry, into the hands of a few, whereas a cement mill being owned and permanently about to be operated by the Government or a Crown Corporation is Socialism, between those two examples of Toryism, and I am not criticizing the fresh fish policy by saying it is Tory, as a matter of fact, probably history will show that the finest thing this Government did was to assist the fresh fish industry. But between the two examples of Socialism and Toryism there is no doubt about it the present Liberal Government once in a while are Liberal; they hit the beam as they go along and occasionally must be Liberal but not most of the time.

So, Sir, I am not particularly interested in party lines or where I sit; this is a good a place as any to speak my mind. In deciding to speak it there is certainly one thing I must make clear, which I mentioned before. I would not say a word today in the House or anywhere else about public affairs if I felt by doing it I was going to discourage a single industry, a single industrialist from coming here and making an effort to start one, but there is no good in telling me that there is a danger by talking blue ruin or a reasonable facsimile that I am going to discourage any one. Down

in Seven Islands today the Railway works, and you may depend on it that Frobisher are going ahead intensively regardless of what I say or don't say in the House. If it is a good thing they do and they have the good old private enterprise and they are not going to be deterred from turning an honest dollar or what they consider to be by anything I say. Therefore the remarks I am about to make, I do not believe that they are going to do anything to discourage or as a matter of fact to encourage any industrialist or group thereof from coming here. If I thought so I would not say a word, but as I don't, I consider the matter seriously and I intend to make these few remarks in mild criticism of the Speech from the Throne.

Now, the Premier on Wednesday started a trend that may continue by a mild exposure of his soul, not indecently, when he analyzed himself and showed us the result by saying that he had in his system left out completely any prejudice and hatred. I believe him, I don't care whether anyone else does or not. I believe he did have it left out. I don't believe he hates anyone; there were times when he almost hated me, but don't pay any attention, he does not; nothing of the kind, he is probably a little political for a moment or two but basically, no. But that reminded me, Sir, that it would probably be in order if I examined myself a little and, Sir, when they made me there was one thing left out, perhaps several, but one particular in reference to what I am going to say next. The honourable Premier referred to some people as being tone deaf, now I am tone deaf. I know the difference between a good jazz band and Strokowski. I know a few tunes but there is one kind of music to which I am absolutely deaf and

that is the sweet song, Sir, that is sung by the enthusiast. I can listen to a man talking about anything he believes in but as soon as I find that he has become enthusiastic rather than argumentative and logical I become tone deaf. Worse than that, if that were all I would still be able to get around amongst my fellows and get by fairly well but not only am I tone deaf to the music of the enthusiast but I am actually allergic to it. I have turned out of the various offices I occupied in my time more book agents and life insurance agents than anybody else who occupied it for any length of time. They are welcome to come in and if I had time they are welcome to tell me what they want and describe their wares and point out to me this and that but as soon as they began any high pressure salesmanship that was the end of it. That was left out of me. I cannot help it. It is not good for anyone to use all the superlatives and superlative degree arguments as to me it means nothing. On the contrary I am allergic, I began to wonder what is weak about that fellow's case that he has to talk so much about it, get so enthusiastic, there must be something wrong with the book or policy he is trying to sell. It is not a bit of good in the world to tell me it is wonderful and this and that, not what is the cost per shirt, but what will the price be, is it going to pay for itself in competitive trade? I don't want only to know but must see the figures on which it is based. I am sorry, apparently there are not a great many like that but that is the way I am made. So if anyone wants my support for any cause or for any Act or section of an Act I want first logic and facts, and enthusiasm leaves me absolutely cold, goes in one ear and out the other. I have had too much of it, it creates



in me a hostility. I have elephantitis as far as sales resistance is concerned.

Now, I will move on for a minute to make reference to Dr. Valdmanis. Before I moved to this side of the House I knew him well but I did not know him as well as some members of the Government, I was away and it was several months before I met him, away on the Mainland when he first came. Two things about him I will say, in my opinion he is a very, very able man, by that I mean very educated, I should say brilliant, and secondly, he is a very hard worker. So I do not share the opinion of those who try to belittle him. On the other hand, of course, being tone deaf, allergic, I don't share the opinion that the Premier expressed of him. I would not make that statement about anyone on earth on two feet. A statement like that, no, Sir, that superlative about a human being has no effect on me. But at the moment Dr. Valdmanis is being talked about as a mass murderer of Jews and the Premier says he is not and produces quite a lot of evidence, but second hand, which may be perfectly authentic. The point is, I don't know whether it is or not. If it is, I hope it is found out and he is taken to Nurenburg or wherever they have those things and shot, and if not that he is vindicated as soon as possible and they should be made pay for it if there is sufficient to compensate such vilification of an innocent man. I am not particularly concerned over it but I will say that if ever anyone, if I find anyone or a group trying to make political capital of this, whether he is guilty or innocent, to make political capital of it against this Government I will oppose him and refuse to be associated with him. After all, there are authorities for looking out for those things and

the business of this Government and this House at the moment is this: is he worth the \$25,000 a year we are paying him?

MR. SMALLWOOD: Would the honourable gentleman allow me to ask a question? The honourable gentleman is aware that many thousand of copies of a translation of that DERTAG article were printed, mimeographed and circulated amongst many thousands and that one of them falsified the translation and inserted a statement that he was also anti-Catholic. It does not sound like Liberal Government policy, does it?

MR. RUSSELL: Someone showed me one and I brushed it aside, whether wrong or right, I don't care.

Now, Sir, I come to the Speech from the Throne. The first two paragraphs we're all in accord with. Those things are understood by everybody, everybody is well aware we feel and think them and I am willing to agree it is only right and proper they should be included in a document like this. Now, I am not going to take the paragraphs in order but the nicest one first and so I am going to turn first of all to one of the finest paragraphs ever was inserted in any Speech from the Throne, one of the finest heard or read or listened to, written or spoken by any member of a Government. That is the long one about Dr. Seigheim. The bare unvarnished facts about what happened. No interjection of opinion or bias of any kind, an excellent paragraph. It appears he wanted three million dollars to come and attempt to do what he promised to do to get the three million. He had to get permission from his Government; before he was given permission they wanted to know if the thing were sound. A commis-

sion went to investigate and report on its soundness. But the man is persisting and not giving up yet, so some how or another he has another commission to go and investigate and if they say it is sound he will carry out the project. The paragraph states purely, sensibly that no government money has been involved; if he fails to carry out his contract it will revert to the Crown. A splendid paragraph. And the Premier in his reference to it on Wednesday spoiled it by referring to some group though he did not give the name.

MR. SMALLWOOD: I will give you the name now if you want it, The Canadian Pulp and Paper Organization with headquarters in Montreal have been carrying on an active campaign to discredit Newfoundland as a possibility for logging. I know it, I referred to a letter.

MR. RUSSELL: Mr. Speaker, the reason why—I am very glad to know that but I am not quite satisfied yet, he referred to a date.

MR. SMALLWOOD: I was wrong; it is September 21.

MR. RUSSELL: He looked straight at us as if there were some significance in it for some of us, he indicated that he would say more if certain remarks were made in the House. That left me in the position that I am afraid to say anything for fear I might say the magic word like Joe Mac over the radio, if you say a magic word, the magic word the whole place tumbles and I don't want to hit the Jackpot by saying something and I would not want it thought I had any connection whatsoever with any group trying to do Dr. Seigheim out of an honest dollar of which I have my own

opinion as to whether he can or not, and I would rather have him try and fail than have it sewed up by speculators, and so long as I am disassociated I don't care who else is blamed.

Now, I will come back again to Dr. Seigheim. I am sorry when the Government brought in that Bill, last summer or spring or whenever it was, I am sorry they were so enthusiastic about it, it is one of the things that make me stone deaf. Had the Government come in and looked at us and winked across and said; here is a proposition. That man wants to have a try and the issue is should we let him try or won't we, and we would have said, yes, let him try. But we got the impression I think, I did, that the Government were enthusiastic about it, very much so and even now they feel that, and they may be right in what they say, they feel the commission did not give an honest report. I am glad of one thing about Dr. Seigheim, I am glad his Government investigated, it is nice to have two governments investigate the same thing. Without any reflection upon the ability of the present Government, even if they know when a proposition is good or not it is nice to have a cross-check going on. And the fact that his government is investigating this will make it all the more likely and will give us another assurance of precaution, and if the proposition does eventually prove sound and they let him have three million dollars then someone has to let him have a lot more than that as it won't build two towns—ask the Housing Corporation. To refuse him the grant will mean missing the chance of what I am afraid of is another failure and another black eye for Labrador. There is one other thing about Dr. Seigheim.

Reference was made on Wednesday by the honourable Premier to an address given last year on this debate by the honourable member for Labrador. He even said it might be a good thing to put it in the schools. But if we put it in the schools and our brighter children read and study it they may have some doubts too about the outcome because the honourable member for Labrador pointed out something we all know, that industry, civilization was moving, moved Westward and moved on until it hit the Pacific Ocean and he predicted it would be the overflow of American industries which would steadily overflow up into the Labrador. I am inclined to agree with him, the trend in human progress takes hundreds of years to work out, there are no short cuts in them, and if he is correct in predicting the development of Lake Melville will come from the overflow of surplus energy, enterprise and capital of Canada and probably the United States, it will take many years.

Now leaving that paragraph—there are several paragraphs on page two that refer to the proposed new industries other than the cement, gypsum and birch industries—I am going to make one general observation about German industry and industrialists. Mr. Speaker, the Government, the Cabinet, I know, I have been there, they sit around a table or they may sit around a little desk in a circle, but whatever Government we have in Newfoundland, either the one we have now or the next, probably the people may turn them out and put in another, it would be all the same. Here are ten or twelve men, I have already said there should be no more than five, who were elected not because of particular qualities, not because of ability to take a big proposition of so

many pages and decide we will make two cents on a shirt and three on a piece of velvet as a result of all that. There are the people who have been elected because they have convinced the public that they each desire to do what is right, not that they are able to do it but they desire to try and get it done to steer it as well as possible in the public interest, and they are going to wonder time after time whether a certain proposition is good or not, especially one that involves problems of dollars of public money belonging to the very poorest people of Newfoundland, in this case collected from them by the Commission of Government, and they don't know whether it is a sound proposition or not themselves. I can see it is possible that within the next twenty-three years the present government might get so accustomed to some of these matters they may acquire a great deal of experts, in the meantime they have so many things to do they can not do so, they don't know their duty then as to this and they should do so by accumulating all the best advice they can get and even then they don't get it sometimes. Now it is their duty, every one of them, to use every bit of horse-sense they have to try to make wise decisions. Sometimes they may act on hunches and there is nothing else left to act on. Now, Sir, suppose I am in a position on the Cabinet, and an industrialist from Canada or the United States were to come to me today and I were the Government, only one, a composite of all the members, with a proposition saying, look, we have done something, found something somewhere and we want to develop it. I would ask, how much money do you want? But they don't want any, those fellows have money but they may ask me to guar-

antee a couple of million dollars worth of our own. Well, Sir, if all the other things were in order, that one thing alone would influence me, I would agree, because I know there is only one reason under the sun why those people try to start an industry, just one. They have, with their experience, with their technical knowledge, reports of surveys and reports of engineers, come to the conclusion that there is a profit to be made. Very well, in the case of industrialists from Europe, I don't care if they are German, Belgium, French, whatever they are, the fact that they will come and put some money or machinery worth money in industry in Newfoundland is no evidence to think the thing is sound. It is an entirely different thing with corporations from the Mainland. They have other motives. One is they may be called up by the urgency of the human race that has been theirs for centuries to move Westward, go west young man. They may be willing to come over here even though it did not pay as well just to go west. They may be running away from Stalin, from the Russians, from the iron curtain, God bless them for wanting to, but why should the fishermen of Newfoundland pay their passage, there are wealthier organizations able to afford to do it. There are many motives, even from only one point is their motive other rather than purely business. It does not prove their industry is not sound, oh no. Now I am going to play another part, pretend I am an industrialist in Germany, I have a factory bringing in a good income with lots of money, German money not dollars, but above all I am frightened by the thought that there might be a war and if there is the area where I live won't last ten minutes and I think even if I were over in New-

foundland and losing money on it and even losing a hundred thousand a year I would be safe whereas right here I would not last until breakfast time, the industry would be gone and I would end up out in the salt mines. Then someone comes in and says, look what about shifting your factory, as the honourable Premier has told us he had done. I know I would come whether it was sound or not. That is why I say they have to be extra careful, much more careful than if the industry were from the Mainland. I pity them, sympathize with them, would like to have them over but we must check them carefully, very carefully, they may be sound, I hope they are. The machinery and the technical material, someone has to explain a lot to me to prove he can import raw material from other parts of the world; with our own we might have a chance but to import raw material. However, I will come to that later, in due course, it is not in this debate at all.

Now, Sir, the next reference I want to make is to the surplus. There is to be a current surplus of three million dollars, as predicted, I hope there will be.

MR. SMALLWOOD: At least a million.

MR. RUSSELL: At least, it may be more, and I am very glad I have not to go around taking pride in it especially on the Cabot Highway which is a disgrace to any civilized country. The teachers and civil servants, they have received an increase and got half they wanted, in most cases it amounts to enough to almost let them pay their grocery bills. Don't tell me all the reasons for the shortage of teachers are the isolated places, the main reason is there is not enough

in teaching to make it a life's work when the dull boy from the class can go down to Seven Islands and operate a truck and make twice as much as by teaching. The rumour soon goes around Mr. So-and-so cannot be much good for anything else when they make him a teacher. It is no comfort to them, Sir, to know there is going to be a surplus and it is certainly going to be no comfort to the people on the Cabot Highway who break up their vehicles trying to get along.

Now, another thing about the surplus, supposing there is a million or a million and a half, what is going to happen to it? I hate to bring this up again but I have to, the old story again, the goblin is going to get it anyway. By that I mean it is Term 28 of the Terms of Union which gobbles us, is ready to swallow up any bit of surplus, I don't care whether we get it from the civil servants or someone trying to live off a government pension whose salary and pension is not going up consistently with the cost of living. We hear how the miners or loggers find the cost of living up and ask for a ten cent an hour raise and get it, but they don't. You can take it from where you like but I can tell you where it is going, old Term 28, the insatiable monster, the one that says the transitional grant will start next year and reduce every year thereafter until all gone; as already calculated and proven in this House it will mean the abolition or wiping out of the \$42,000,000 surplus. Mr. Speaker, in years to come some day some children in school will look at the Terms of Union and say, how about that war, there is nothing about that war, surely there must have been one to put in a condition like that, there must have been a

Newfoundland Canadian war or something, otherwise there never would have been such terms. I refer particularly to one and I warn anyone from Canada right from here to British Columbia—there is at least one Newfoundlander who is going to grumble about this term as long as he lives and I am going to support any party that will undertake to change them and I would desert that party just as quick when they fall down on the job. The honourable Doug Abbott in his current budget, not the one yesterday, but the current budget, the overall one was estimating \$438,000,000, I think it is revenue he is going to collect from the people of Canada this year for one item alone, the servicing of the national debt. Now he collected more than that, in fact it is rumoured he is going to use a lot of the five hundred million to pay off part of it, so what I am going to say makes it much worse. That is bad enough, that is more than \$30 for every man, woman and child, in Canada and immediately a good many people started to take a note for to tell us later on it is not a per capita tax at all, it is not a poll tax and Newfoundlanders don't pay, there is no reason to assume the Newfoundlanders pay their part, probably \$35 each. I know that but I also know this we have sections of Newfoundland where the earning power is equal or greater than the average across Canada. I know another thing though, Ontario may pay the bulk of this, remember, they got a great deal, and down here it is almost impossible to go anywhere in Newfoundland, eat, drink, or wear anything without paying a little profit to some corporation in the Province of Quebec or Ontario, and though we hear a great deal of money comes from there, it came from here in the first place, and there is

one other thing I would remind you, and that is if we are slightly below the average across Canada we are doing our best to catch up, are we not, as a result of economic development? If we succeed it will be to make this matter worse to bleed us about ten million dollars a year, Sir, to pay for bills we never contracted, to pay for things Canada had before we joined them. Let me put it this way: Take the case of a fisherman who starts a fishing enterprise probably in April, catches fish, makes a profit and bye and bye in the Fall of the year, he has ten men and has to get a new man, so he asks a man to join him. From then on that man must pay his part and the owner and others pay their part of everything they enjoy and that fisherman pays from then on his share of the expenses of the boat, and gets every cent of his share of the profits made after he came in, but to charge him with something that was used or broken up in May or June long before he joined, it would be an injustice. But if they say to him pay for it and we will give you something else instead—here is a lollypop to lick away at, a fudgicle to lick away at, nine licks and it is gone. The transitional grant is a lollypop, a fudgicle. I want no transitional grant but a permanent one. If there is any way that term can be changed, Mr. Speaker, not the rest of them, but as far as I am concerned they can have the transitional grant, we want one to compensate for the difference in the interest on the national debt we would have been paying, \$1,800,000 on account of interest on the debt Canada took over, today it is about \$11,000,000, and if Mr. Abbott puts back the five million to retire the debt we may be paying twice as much.

Mr. Speaker, I am prepared to have a recess if the House would like.

MR. SPEAKER: I think it would be wise to have a short recess. 10 minutes.

House recessed for ten minutes.

MR. RUSSELL: Mr. Speaker, in order to clear up two or three possible misunderstandings that may have arisen, I don't see how they could, but they might, anyhow I will repeat; I have most certainly not been associated with the circulation of any copies from DERTAG.

MR. SMALLWOOD: Hear, hear.

MR. RUSSELL: As far as I am concerned Dr. Valdmanis is innocent until proven guilty and I most certainly have no association with that organization that is alleged to be blocking the efforts of Dr. Seigheim. If anyone says I have, I will have to ask him to come away from the security of privilege and come outside.

MR. SMALLWOOD: Mr. Speaker, if the honourable member would yield to me: How it occurs to him that anyone even thought that he had been associated with this propaganda, this thought has not been in the mind of anyone in this Chamber, we know he is not in any way connected with it. Further it is not in the mind of anyone in this Chamber that any man in this House is connected with it. Not at all.

MR. RUSSELL: The only reason—I won't mention it any more, the Premier's explanation is very satisfactory. Perhaps in his remark I read a great deal more than was intended when he said he would name later on the parties if certain remarks were made in the House. That ex-

planation is perfectly satisfactory and I am not going to mention it again.

Finally, since I have just criticized Term 28 of the Terms of Union, I know I can't stop it but I am going to read or hear that I am not a Confederate. I voted for Confederation, I am a Confederate but I did not vote for those terms but for Confederation. I like the terms, I like them all except that one, as I say, I would not have any honourable member think for a moment that I was turned against Confederation now at this stage, that would be too silly almost for anyone to think but I am capable of criticizing any terms that were passed after. I voted for Confederation, like Confederation, want us to be a good Province and think we can. But we will never be the Province we ought to be until we get our rights, and our rights are the abolition of that term and the substitution therefor—

MR. SMALLWOOD: Is not that provided for in the other terms?

MR. RUSSELL: I have not seen it.

MR. SMALLWOOD: The one the honourable gentleman moved a resolution on in the last session.

MR. RUSSELL: You should find out as soon as possible if it is provided for or that it is not and decide whether or not they will guarantee the people the difference in the debt at the date of union, instead of that it means they will come down and maintain our services at a level which we will then have reached and we with a surplus on current account and the civil servants and teachers at starvation wages. That is not the way to build up to make the most out of the Royal Commission when

they come to pay, and, Sir, I want to make this statement—It gets a bit more controversial now as I go on, it has to as I have all the best things said. If I had gone over there this is where I would have to bring my seat back. The Government says here that economic development is their first duty, I could not help seeing in that this enthusiasm to which I am allergic. The honourable the Premier won't mind my saying this, when I say it is enthusiasm when he says this, it is no doubt a worthy cause too and I would say to him, go to it, but as I have said there are other causes too besides this one. But that is his nature—he gets hold of a good idea, he was just the same when rescuing a negro from the Klu Klux Klan, the same with many other things; Confederation. Now it is economic development, well, Sir, I don't care how good a thing it is, economic development is good.

MR. SMALLWOOD: That is why we are going to get it.

MR. RUSSELL: But it is possible to overdo it, it is possible to speculate too much, it is possible to work it to death. Now, I have to tell a story to illustrate. The honourable the Premier the other day was a little hesitant when talking of Germans because he had not killed any of them. That proved conclusively that I have a right to talk about horses. I am going to talk about them. There was once a horse and a very famous book, Mr. Speaker, I expect you read it, called "Animal Farm" which book made the headlines a few years ago. "Animal Farm" is a story of a place where animals lived. Eventually the monkeys got elected and became the government, and here I am not insinuating, there is no example to be drawn from that,

I am making no crack about how people look, but they did become the ruling body, they ruled, they governed, there is no illustration as yet, to my mind. They made mistakes and things were going from bad to worse but they always found an excuse, an old horse, "Boxer," and they would tell him everything would be all right if he worked hard. "Very well," Boxer would say, "I must work harder," and he worked harder and harder trying to cure all the trouble. Finally, of course, he died of overwork. Now there is a danger, I want to give a friendly caution to the Government, as for the Opposition it is their own business if they want to advise the Government, I don't feel that way but I would give them a word of caution, not to work Boxer to death. Not to say to the Treasurer, you just wait, we have only so much money and economic development is the first thing and later on when that is done we will attend to the increases you need if you still need them.

MR. SMALLWOOD: Is not that true?

MR. RUSSELL: Just a moment—

MR. SMALLWOOD: Come on you are an honest man.

MR. RUSSELL: No, not when we have to give ten million dollars away. Not when we have to start begging for our own roads or pay for roads they built up there twenty-five years ago. If there is a sting in my advice it is my misfortune, not my intention, but this transitional grant is a popsicle, a lollypop, a fudgicle. Anyway if every one of these industries succeed and they won't, but if they all did, every one of them to the amazement of even the Government there would still be the same problem, not to the

people of Newfoundland but to the Government of Newfoundland, unless they can raise the revenue by going to the factories and taking up a collection for the Government of about six out of every seven dollars received from their workers, which is going to Ottawa, unless we could get so industrialized we could tell Ottawa we are not going to sign the tax rental agreement, it would pay us not to. But I don't see that in the foreseeable future, and even if we could say it, as a good Confederate I don't know if I agree with it. I don't think economic development therefore is the cureall, there are many other things as well. Coming from a fishing district, representing fishermen, I don't know how they feel about me now.

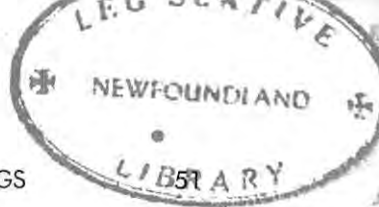
MR. SMALLWOOD: The honourable gentleman will find that out.

MR. RUSSELL: Yes. Coming from a fishing district I looked in the Speech from the Throne to see what was said about them, to see how smart the Government is now. Nothing about the fishermen; economic development. Surely improving the development of the fisheries is economic development. I was concerned to see what about the fishermen, I could not find it at first but kept looking over the pages and paragraphs, but in the end I find, Sir, they are here all right, the fishermen can take heart, the Government has not forgotten. Here they are in the words: "I am sure all Newfoundlanders will rejoice in the flourishing state of the Province in 1951." This worries us too. We have only one industry yet, that is all. I don't think it is an industry until it is operating, it is a building industry, I expect that is why the cement mill is going to have a job to supply the local market for the next five years,



since there are going to be years of building development. Why the building industry alone is a major industry whether or not anything ever comes out of it. I was talking the other day on one of the few occasions since the House closed when I mentioned politics. I was talking to two or three men of more than average intelligence, carpenters, and they think it is a wonderful thing, and said, look at the employment it is going to give the poor people building it and I still say that is reasonable intelligence, they want work building it, why worry about the machinery to be placed in it, or if they can sell at competitive prices. It is true that never before have the people enjoyed such a standard of living and it is the hope of all that this prosperity continues and increases to embrace all the people of the Province and somewhere hidden away in that is the fishermen. I contend that the greatest need in the Provincial Government as far as the fisheries is concerned is a capable liaison officer between this Government and the Government of Canada, in order to insure that the fishermen of Newfoundland and the fishing industry gets every iota of benefit they should get as a result of union. I don't think we have it. Is it any good for us to go using ability we don't possess and money we can't afford in research or experimental work? I can give instances to prove that or to show that Ottawa could do it better. Even so I am going to say very little about the fishery except perhaps one thing, the question was asked today: was it the Government's intention to nationalize the salt cod fishery. I say here if the Government in making loans to develop the fishery were to lose a lot of money they could be easily forgiven but I think that the loans and guarantees the Government has made to

develop the fishery will rank amongst the best if not the best things they have done. Even so, Sir, I have had occasion during the last two or three months to go around Conception Bay to Bay Roberts, Coley's Point, where I was born and reared, and I will mention the additional employment that a little operation there of Andrews has given to people who otherwise would find it difficult to make a living. I saw right there in that place school boys who during the summer earned about \$200 at work which was not hard and there is a tendency in the right direction since handling salt bulk fish from the fishermen gives the fishermen time to catch more, with curing done centrally under expert supervision and more and more with new and better equipment. But I don't know whether or not the Government intends to nationalize the fishery, Sir, but I am going to tell you in years to come, next year or in fifty years' time in case some Government or this in another term or two feels the present merchant system, the old profit system, should be abolished, the only way they could do it is by revolution, a bloody one, taking over the premises and so on. They would not get far and it is not worth considering. It is not in the nature of our people, and in the second place if started we would not have to declare war, the Mounties, the Royal Navy and the RCAF would soon stop us. The Government will not nationalize it or take it over; they know they can't afford to even if they wanted to take over the salt cod fishery as there is an enormous cost involved, all the premises having to be bought out and in a good many cases hiring merchants to be manager. I know for a fact there are merchants who would shout with joy for the very prospect. There is one way, Sir, and I mentioned it a little more than two



## HOUSE OF ASSEMBLY PROCEEDINGS

years ago. I am going to refer now to my activities in the Co-operatives and, incidentally, I have not been trying to stop any one buying lobsters in Bonavista North the last two or three years, there is no reason why their lobster business should not be going ahead, but I am going to refer to the state of affairs when I left the Co-operative Division. There were then three or four cooperative societies who had lifted themselves up by their own boot straps and had reached a point where they could apply for and receive from the Fisheries Board a licence to export fish. Now, Sir, a licence to export fish means that they had first of all fish making premises that would pass inspection, rigid inspection and capacity for handling at least three thousand quintals of fish a year which in itself is quite an enterprise to begin with. They could then get an exporter's licence and three co-operative societies had it. Now they are nearly on the point of applying to join NAFEL. In order to join NAFEL you have first of all to be a licensed exporter. Three of them were that then. Then you have to apply and be accepted and pay an entrance fee of ten thousand dollars. They could have done that. I don't know why the two main organizations did not put their heads together and join as one, they didn't like each other or something. Now here is the way if we ever want a new system in our cod fishery, salt cod fish markets, let the co-operatives join. I don't know whether the present members would welcome a co-operative coming in or not; I don't see how they could talk their way out of it, they are not in NAFEL now. Let enough of them come in, I don't know how many, it might take twenty, thirty or forty but by and by when they have enough they could change the name to NAFEL Co-operatives. I know

of no other democratic, peaceful, civilized way. In the meantime I suggest that the Government and the merchants stop firing pop guns at each other, it is bad enough for the Government to say they are going to bring in legislation they have no intention whatsoever of bringing in, it is worse still for the merchants to pretend to take it seriously. The only thing we hope is that, through all the nonsense the real seriousness of the business involved has not suffered.

Now, Sir, I am going to close after mentioning one more paragraph and I am going to appeal now to the sense of humour of the honourable gentlemen on the other side; what I say, believe me, I am not saying in a spirit of rancor, what I say may irritate for a moment but it is not going to bite, nor hurt people.

There is a paragraph here which mentions that the Premier and the Attorney General returned recently from a six weeks' tour of Europe during the course of which some fifteen new industries were acquired. In six weeks some fifteen additional new industries were secured. That is in addition to the eight, I take it, secured before.

Now, Sir, I may be a crank but I just cannot take that seriously, if I should, I can't. Fifteen, now perhaps they discussed or looked over even one hundred and fifty, any number for the sake of argument, and debated them and chased back and forth, yes, but fifteen new industries secured in six weeks. I don't believe it. Especially in the matter of these new industries brought about by Dr. Valdimanis, who, it is contended, is worth \$25,000 a year, the real test of that will be when he brings an industry here which won't need any government

support. For the ones he is bringing part of the credit belongs to him and part to the people of Newfoundland who have the surplus to lend and the credit with which to obtain bank loans or bank guarantees, but when he brings one here, or the Government brings one here that does not need any government guarantee or Newfoundland financial assistance, I will give him praise. We all agree, I think, that they have tried hard; I give credit for a good attempt and that was the tragedy of the history of last year and the history of economic development. But I cannot take it seriously, I am not going to, that fifteen new industries have been secured. But, Sir, that word "secured" I suppose does the mischief, I have gotten into trouble lots of times by probably laughing some time when I should not have laughed, in some serious moment by taking words and visualizing little pictures, irrelevant pictures, and that word, Sir, made me visualize a little picture that made me wonder, after they had secured fifteen in six weeks, why did they stop? The hunting was good, could it be they came home for the time being even while the birds were on the barrens, surely when the hunting is so good now is the time to start shooting with both barrels. I can forgive the Premier if he did not know, but the Attorney General should have known there is no ban on industries, but they got them and came home tired and happy. Now, if I am wrong correct me, they were not finished yet; they brought them home, the bag jammed, probably on Saturday or Sunday they arrived and apparently it took until Thursday for the Cabinet to pick them, clean them, stuff them so that they could be presented to the public in a radio address and to us here in the House in the form of a pie, the eight previous ones

and these fifteen a total of twenty-three new industries, no, make it twenty-four, put Dr. Seigheim in it though he does not belong to it, but we have to. Well they are here and we are about, Sir, to sit down to discuss with them the policy referred to in the last paragraph, and all I ask, Sir, of the Government is when my plate comes along to me, I will do my best to chew and digest them, but some of them there, one or two birds look to me like tough chewing, especially those not based on natural resources that we ourselves possess, but not connected in any way with that storehouse referred to, these are going to make tough chewing. I ask the indulgence therefore of the House on my part, to have a little bit of patience, I will do my best since they shot, bagged, cleaned, picked, and baked them in a pie, I will do my best to swallow them but it may take a little time. I appeal to them now not to cram them down my throat.

MR. FOGWILL: Mr. Speaker, I move the adjournment of the debate until Monday.

MR. SMALLWOOD: My honourable friend just means to adjourn the debate; the time table remains with us, it is the privilege only of the Government.

Moved and seconded this debate be now adjourned.

Committee of the Whole on a Bill "An Act to Amend the Industries Act, 1951."

MR. SMALLWOOD: Mr. Speaker, we might leave that order stand so that my honourable friends may have still more opportunity to consider its provisions, and instead go on to second readings.

Second reading, A Bill, "An Act to Approve and Give Statutory Effect to an Agreement Between the Government and Canadian Machinery and Industry Construction Limited."

MR. SMALLWOOD: Mr. Speaker, I rise to move this and to give some explanation of this additional new industry that will come before the House at its present session.

This is a Bill, "An Act to Approve and Give Statutory Effect to an Agreement between the Government and Canadian Machinery and Industry Construction Limited." That is the name of a company that has been formed and incorporated in Newfoundland. That company is the one which is now engaged at the construction of one section of the beginning of an immense, of a gigantic new industry in the vicinity of Donavans on Topsail Road. At this present time some thirty or forty men are engaged at work of clearing away the forest, of bulldozing the top soil away and on other parts of the same ground, of laying foundations for still other buildings. Some twenty engineers, civil engineers, and construction engineers of the company are now on the job at Donavans having been brought here by this new company from the continent of Europe. They have there also some construction machinery and I have myself visited the scene of activity several times, as late as yesterday, and I intend to visit it there as frequently as I can possibly manage to do, to keep an eye on the operations, more especially from the standpoint of watching first how European construction groups get along, how efficient they are in construction compared with construction companies generally on this side of the Atlantic Ocean, and secondly of watching the relationship between the foreign or Contin-

ental European Engineers and bosses, and the local Newfoundlanders given employment. I am glad to say in the latter respect that by all accounts and from conversations I have had with Newfoundlanders working out there and I find them from many parts ranging from Torbay to half way around Harbour Main-Bell Island district, and I found that the men themselves give the Europeans very good names indeed, gentlemen to work with and I found the Europeans spoke very highly of our Newfoundland workers and so far, here I keep my fingers crossed, so far the relations between the two are most friendly and most gratifying to any man who is interested in a welding of European skill with Newfoundland labour. On the first point, not being myself an engineer, it does appear to me from what I have seen that those engineers have indeed got very notable efficiency in their construction methods.

Now, Sir, the Speech from the Throne described this new industry as being the one likely to grow to the greatest proportion of all these new industries. I must say that I must agree with that description. The machinery for that plant, for the first phase of that plant will be here landed in St. John's and on the site at Donavans, a site of fifty acres, before the end of the current calendar year. Already some small parts of machinery for that plant have arrived and are out there at Donovan's as has also a considerable quantity of barracks equipment, beds, wardrobes, tables and chairs for the accommodations of the resident engineers in a fine large building at present in the course of construction. The intention of the company, made very clear to us, is to be in operation in full production by

the first of July, 1952, at that point they will have five hundred men employed in the machinery plant. That will represent the conclusion, so to speak, of the first phase of that new industry and even at that point, July 1, 1952, there will have arrived at the site a considerable amount of new machinery for the second phase which will commence before the first phase is completed and so with one phase overlapping the other, within two years the intention is to cover some thirty acres of the fifty acres with great new factory buildings each of them containing the most modern and efficient, brand new, industrial machinery that the industrial skill of the Continent of Europe is able to produce. I regret that the exceedingly busy time I have had today up to the time the House opened caused me to forget to bring here plans of this new industry; it is almost beyond belief, it is incredible. When that plant is completed in two years there will be five thousand men working in it. It will be, I now choose my words very carefully, I admit frankly I have not visited all the machinery plants in this Canadian Nation, I will not say it will be the largest in Canada but I may say safely that undoubtedly it will be one of the largest and certainly the newest of all the great machinery plants in Canada. In it there will be a large vocational school where some five hundred young Newfoundlanders will be trained in the European manner. The Attorney General would confirm what I am about to say, that we were impressed beyond description by the magnificent vocational schools operating on the continent of Europe, not by the Government but by the industries themselves. These students when they leave school enter and are given instructions in three ways, one, actual

machinery shop instructions within the school itself, two: Theoretical lectures on the blackboard and lectures within the school and (3) actual practical demonstrations in the workshops in the factories themselves. They spend so many days or half days within the school, and the remainder of the week actually working down in the plant. They get paid for the things they make in the school because the method of teaching is to have a boy learn by making, by doing, and they get paid for actual things they turn out on the lathes and other machines in the vocational school, and so this plant will have a vocational school which will give hundreds of young men passing through the vocational school the training that most of these in Europe give and they offer employment to the graduates of the school; there is no compulsion upon the students to complete the course or work for that particular firm only if and when they desire it, but the organization is there and if they wish to work the first chance is given to the graduates of the school. I may say the instructor of that school will be made available for giving instructions in the Government Vocational School now actively in course of planning.

Now, what kind of machinery will that plant manufacture. They will manufacture many kinds of machinery, for example, and I give those only as examples; flour mills, feed mills, crushing machinery of all kinds, crushing rocks, nuts of various kinds, that is linseed and peanuts and things that give vegetable oils, all that kind of crushing machinery for oil plants, grinding machinery of all kinds and conveyor systems and diamond drilling machinery used in drilling for oil and minerals. These are examples of

what we might call the heavy machinery which the plant will manufacture. But these are only examples, many other types of machinery can and will be manufactured there. Now in addition to the heavy machinery there will be many kinds of smaller machinery which will likewise be manufactured. The company is bringing with them fifty-eight thousand blue prints, microfilmed, that is to say, blue prints which if taken in the original size would fill a very large room, fifty-eight thousand blue prints but microfilmed, which means each one is reduced to a tiny fraction of its actual size and when the need arises they can be reproduced to any size by photographic reproduction. Fifty-eight thousand blue prints of machinery they can and will manufacture in that vast new plant. As I said, I agreed with the Speech from the Throne when it said this is likely to become the largest single industry in Newfoundland apart from the fisheries, I do agree, I doubt however that it will be the most important of the new industries, the most important will be the steel mill using Newfoundland iron ore from Bell Island, Newfoundland limestone probably from Trinity South, Newfoundland fluorspar from the District of Burin, chromite and limestone from the District of St. Georges, Port au Port, and other ingredients from other parts of the Province together with coal from Sydney supplied to this steel mill by boats coming otherwise empty to Bell Island to pick up iron ore for the steel mill at Sydney. While I am speaking on that point I may say that the DOSCO Company have agreed, not verbally but have agreed to supply the iron ore and coal for this new steel mill. The steel mill will not compete with DOSCO, it will make an entirely different kind

of steel and indeed will not compete with any steel plant presently existing in Canada. It will be the fifth, there are only four now, and will not compete with any of the other four. This steel mill will be the most important though not at the beginning the largest. I would not be surprised if within a very few years the steel mill becomes the largest of our new industries. True they will commence with a mere thousand men but they will not remain long in my view at that rate of employment. The importance of the steel mill is this that it will provide an article, namely, steel, which in turn is raw material for a large number of other industries one of which, as soon as the steel mill comes into production, will be this Canadian Machinery Company which we are discussing here today.

MR. CASHIN: In different companies.

MR. SMALLWOOD: Different companies, different people, a different proposition, different capital, different personnel, no connection between the two except this, that the people who are building the machinery plant are now and have long been customers for the people who will be building the steel mill.

MR. RUSSELL: I wonder if the honourable Premier would mind if we asked questions from time to time?

MR. SMALLWOOD: I think in Committee will probably be the best time to ask any considerable number of questions; in Committee of the Whole; nevertheless as we are now debating the principle of the Bill it may be necessary for honourable gentlemen to ask questions at this stage to enable them to make up their minds as to whether or not this Bill should be adopted in principle, for

that reason I will welcome any questions. Now, before my honourable friend puts his first question, may I say this to the House, and not only to the House but to the Press: Here, gentlemen, is the first of these deals from Europe to be debated in this House. The others, the Cement Mill and the great Birch Plant are not European, they are our own industries, but here is the first of the European industries and may I ask the House and the press, in the interest of Newfoundland, to bear in mind the situation in Europe today. I must choose every word with great care. This thing is now arousing enormous attention, not this one company but this business of Newfoundland going over to Europe and coming back, as my honourable friend just said, having secured those industries. That is arousing tremendous attention in Canada and in the United States and in Great Britain and on the Continent of Europe where Newfoundland is becoming just a little famous. This I would gladly do, I would gladly call a press conference and also a conference of all the members of the House, all editors of newspapers and every last detail gladly reveal, but I don't want it published all across Canada. Already we have found that we have enemies and we don't want any spokes thrown in, not in our wheel but in someone else's in Europe. Now will the honourable gentlemen just not take offence at my having said that and I will answer any questions asked.

MR. RUSSELL: I will probably at Committee time tomorrow ask many questions but the one I have now is quite simple. The honourable Premier mentioned the newest

plant in Canada, does that mean new machinery made recently?

MR. SMALLWOOD: Yes, some recently made, some not made yet.

MR. RUSSELL: The Bill to be discussed mentions two and a half million. I am interested. Is that for the first stage up to July? Or is it to complete?

MR. SMALLWOOD: No, that will run to many millions more, but it does not follow that we will have to duplicate the same thing stage by stage and step by step.

MR. RUSSELL: That may be debatable. You said there is an understanding with DOSCO?

MR. SMALLWOOD: An undertaking, a written undertaking from DOSCO. The Attorney General and I on our way to Europe went to Montreal for a particular purpose, we went to catch the boat but we went a day ahead for a particular purpose of conferring with the President of DOSCO as a result of which he gave us the written undertaking. Now the owners of Canadian Machinery are exclusively European, the Newfoundland Government taking no shares, we are merely guaranteeing bonds for ten or twelve years, I forget the exact period which it says in the Bill, it is probably ten years.

MR. CASHIN: They already got some money?

MR. SMALLWOOD: May I say this, the procedure is this: It is a five million dollar enterprise, they put up two and a half million in kind, machinery, structural steel and the other two and a half million is the working capital. We undertake to find half the capital, that is two and a half million. Now, our method of doing

this is that this Newfoundland company will issue its bonds for two and a half million dollars as a four per cent bond or whatever the bonds can get in North America, it must be dollar bonds. We will guarantee the principal and interest and in the meanwhile until that is done we make cash advances to them from the surplus which will come back into the surplus as the bonds are floated and the proceeds are realized by the company. We are doing that with them and several others as well because it is quite clear that the surplus is not from a bottomless pit, will not be enough if we had all of it left to spend on this sort of thing and had no roads to build, no schools, no hospitals no other public works but could spend all of it on this industrial development, it would not be enough to carry out our side of the bargain, that is not enough to put up half the capital investment so what we do therefore, what we must do in order to enable those companies to float their bond issues is to guarantee bonds. Now, the largest one actually signed up and therefore ready for the attention of the House is this one for two and a half million dollars but there is another much larger one than that, we don't build a steel mill, for example, for any five million dollars, but some of them are much smaller.

MR. CASHIN: Is the steel mill legislation coming up shortly?

MR. RUSSELL: Another tough bird.

MR. SMALLWOOD: According to your own definition of using Newfoundland raw material it is a tender bird.

MR. RUSSELL: You are using mainland coal.

MR. SMALLWOOD: But you use Newfoundland iron ore, limestone, fluorspar, chromite, and other ingredients.

MR. RUSSELL: It will soften the bird.

MR. SMALLWOOD: What about Sydney, they have neither iron ore nor steel but have both imported, what about their position? We are in a very fortunate position with all the raw material except coal and we have ships coming empty and going back loaded. Can they not bring the coal in those empty ships and deliver it? It is a very tender bird as the honourable gentleman will find. Now, some are much smaller in amount, two, three or four hundred thousand dollars and each is a separate company, a separate bond issue. The last thing in the world the Government proposes as a Government is setting out and floating a one bond issue on the credit of Newfoundland, that would be to incur a direct debt, add to our public debt. That is the last thing in the world we think of, instead we propose to ask the House to allow us to incur an indirect debt, a contingent liability in the same way that this House did before when they incurred a contingent debt and an indirect debt of ten million dollars for the original Corner Brook Bill, so similarly our proposal is that our method of financing this and other such propositions is to guarantee the bonds of the companies as to principal and interest. But as I say it is not just one deal such as the Corner Brook Deal which was one large deal involving ten million dollars but rather a whole series of deals each involving its own bond issue. What is necessary is that we should have some arrangement whereby some bond house will guarantee to take all these bond



issues for all the companies and underwrite them with the guarantee of the Government of Newfoundland as both principal and interest.

MR. CASHIN: Harriman-Ripley.

MR. SMALLWOOD: It was not for nothing this Government was so farsighted as to make so close and intimate a connection with the great firm and banking house of Harriman-Ripley Incorporated of the United States and Wood Gundy and Company of Canada and the great and famous banking house in London, England. It is with these industries in mind that we have made certain financial connections in London, Switzerland, New York and Toronto for capital in these great cities. I won't say at this moment that they have undertaken to do it but I will say that there is no doubt whatsoever of the ability of these companies to sell these bonds with the guarantee of interest and principal by the Government of Newfoundland. The credit of the Government of Newfoundland is very high; we have a public debt of only three and three-quarters of a million, a mere \$11 a head, the lowest of all the Provinces of Canada. Our credit is quite high.

MR. CASHIN: We have not tested it yet.

MR. SMALLWOOD: That is one of the reasons it is high. We have not needed to test it, we have not needed the money and have been in the fortunate position of being able to tell dozens of bond houses that flocked down here offering to put themselves at the Newfoundland Government's disposal, as I said to one official: "What, borrow! my dear fellows, if you want a loan let us know, we are not in the market at all." We were able to send them packing.

MR. CASHIN: Once the Act is passed —

MR. SMALLWOOD: Is it not then a matter for financial negotiations. Let us—

MR. CASHIN: Let us stick to the Act.

MR. SMALLWOOD: Not when we have more than one banking house or bond house with which to go, even they compete amongst each other to get the business from this or that Government.

MR. CASHIN: What will they sell the bond issue for?

MR. SMALLWOOD: At par with a commission obviously; you have to pay a commission but at par.

MR. HIGGINS: You would have to pay a good commission.

MR. CASHIN: We may get more.

MR. SMALLWOOD: Sometimes bonds are sold at a premium of course, but don't forget the credit of Newfoundland is good, with no public debt and a cash surplus, an answer tabled today showed that a few weeks ago we had \$20,000,000. What I was going to say is we had \$20,000,000 on deposit with the Government of Canada; true we had an overdraft of one million in the Bank of Montreal leaving a net of \$19,000,000 but we did have \$20,000,000 on deposit on which the Government is drawing interest at the rate of two and five eighths per cent per year.

I don't know if there is anything else. Oh, yes, just to conclude, there is one point and that is the technique. These companies will be Newfoundland companies floating their own bonds with our guarantee, but pend-

ing that in some instances, of course, we are ready to commence at once, for example the Cotton Textile Mill is being negotiated and we hope by tomorrow they may have completed their purchase of the land on which the company is to commence construction at once and so in that instance as in this one it may be necessary pending the floating of the bonds, and I hope my honourable and gallant friend takes notice of this statement, pending but on the floating of the bond and in one or two other cases it is necessary to advance the initial sum, not the full amount, which we have undertaken to advance out of the surplus.

Mr. Speaker, in conclusion, may I say this: The Attorney General and I and Dr. Valdmanis were entertained by the owner of this company, who lives in Switzerland; that man owns personally, wholly, solely, four vast industries, he is the sole owner with some twenty or twenty-five directors in his company and they have, I think, merely qualifying shares. He lives in a house which together with its famous paintings has one of the famous art galleries of Europe, two quarters of a million dollars worth of famous art works in that house together with famous paintings and other things which would be worth not less than two million dollars. This man was the pioneer developer of oil on the Continent of Europe. I had better not identify him too much, there are too many newspapermen present and having been one I know what makes a story and what does not. He is a very great figure in industry, has manufactured motor cars and tractors and aircraft machinery of all kinds, tractors, bulldozers, all kinds of heavy machinery, a great and wealthy and powerful industrialist who has no

money in dollars. We have been entertained by him, he has been here to St. John's, was entertained by the Cabinet who had an opportunity of meeting him, together with four or five of his higher directors whom he brought along, chief technicians and technical heads, etc. He is a great industrial magnet on the Continent of Europe, and a man who nearly lost his life in opposing a certain gentleman whom it was not very safe to oppose in Europe a few years ago, a great close, personal friend of a certain great distinguished man whose name is revered by hundreds of millions of people in this world, whose autographed photograph he has in his home. He is a man of great honesty and integrity and I am very proud and very happy that he should take this interest in this new Province of Newfoundland.

Mr. Speaker, I have much pleasure in moving second reading of this Bill.

MR. FOGWILL: Mr. Speaker, I have listened very attentively to the Premier as he explained this Bill to the House and he said, I believe, in his remarks that this proposed machinery plant will eventually employ approximately five thousand people. He has not given any great amount of information that will allow us to pass a firm opinion except to say they will employ five thousand people and the Government would guarantee a capital of two and a half million dollars and also he said they would set up a vocational training school whereby Newfoundland youths would learn the technical skills required so as they could work in the plant.

Now, Mr. Speaker, as I see it, in a plant of this kind employing five thousand people and persons of technical qualifications would be prob-

ably imported from Europe, ten per cent I believe is the figure, but it would probably be five hundred experts coming from Europe to Newfoundland to work in this plant. It is a very different point altogether from a plant such as this where about forty per cent, I think, would have to be highly technical tradesmen, at least two thousand competent tradesmen, perhaps they will not agree on the other side of the House but I know what I am talking about when I say in a machine plant you need highly technical men. It takes a long time to make a pattern maker or a molder and highly skilled machinists, all those people take a long time to train and it can't be done in a short period but there are always machine operators and semi-skilled workers at machines. Now, you can't train people in a short period to do that and if this mill is going to go into production of material of all kinds of machinery it takes a long time to train the people to do it and I think if they are to manufacture machinery they will have to import at least forty per cent of their help from Europe; you are not going to get them from Canada or the United States because a plant in Newfoundland of this sort, would have to work at a much less rate of wages, much less per hour than people of the same skill would get on the Mainland of Canada or in the United States. Properly speaking, reading between the lines of what the Premier said, it is quite possible that by the time that plant is set up and in operation they may make shells.

There is one other thing, Mr. Speaker, I would be inclined to support this Bill if the Government proposed to guarantee the capital, say, up to twenty per cent of its total but under the present section we are proposing to

guarantee the capital of this plant at fifty per cent of the capital. I am afraid, Sir, with the information at our disposal now, on the information the Premier gave us this afternoon which is very little indeed, it will employ five thousand—which means nothing to me; I am concerned with the amount of money guaranteed for building and operating this mill and I am frankly more inclined to support the Bill if the guarantee of the Government were limited to twenty per cent, so I register my non-support of the Bill.

MR. CASHIN: Mr. Speaker, in connection with all those Bills, they all mean Government guarantees, now it is pointed out here, and very rightly, by the Premier that we guaranteed ten millions for Bowater or the Newfoundland Pulp and Paper at that time, but at that time when we guaranteed ten million dollars we knew what it was going to mean, knew the market and what price we are going to get, but on this we don't know whether there is a market, whether we can sell the products or what price we are going to get, in other words we have not a proper prospectus from either of these companies to show us whether they can make money or not, to show us if they are able to pay back the interest or the principal of these amounts and it is only fair I think to the public, apart from the members of the House, that a prospectus should be brought in here by the Government, made up by these people and checked by competent authority and brought in here to show the House whether or not those propositions are going to pay. We have nothing here, nor can any member in the House tell us whether these things are going to pay, what markets they can go to sell the

products or what contracts have been made, but in 1923 when Bowater's agreement was put through a contract had been entered into, we knew we could sell the newsprint and what price we could get for it at that time and knew the business, in other words. The only thing we now know is that the Premier brings in a Bill to establish a plant employing four or five thousand people making machinery, he does not tell us nor does any member of the Government tell us we are going to sell it, how much profit we are to make on it to guide us as it were to decide whether we should support the Bill. Now, if the Premier and the Government are prepared to bring in here proof that this proposition is a financially sound, show us what is to be made, where it is to be sold, how much profit is to be made I am prepared to support this Bill now.

MR. SMALLWOOD: That was done with the Corner Brook Bill.

MR. CASHIN: Yes, it certainly was. It was brought in here, as a matter of fact two companies incorporated at that time, one was the Reids who owned 49%; anyhow everybody knew the price of production and what they would get for it at that time. Newsprint, I think, then sold for a higher price than it does today and we knew we could sell it. We don't what is being manufactured now, what kind of machines, where they are to be sold, I ask any member of the Government to tell me when they float a company no matter what kind and go to Wood Gundy or Harriman-Ripley and ask them to raise two and a half million dollars without a government guarantee, they would want to see what is being manufactured, how much profit, where it is being sold in order to put it before the

public to sell those bonds, that is only good business. You have not told the House anything to that effect and I ask you in all fairness to the members of both sides of the House and I charge any member over there to get up and tell the House how can that Bill be a paying proposition based on anything he knows about it.

These industrialists coming here from Europe, do they tell you what profit they are making, and it is only fair; I am not critical of this thing remember, if it can show a profit I am prepared to support it for I am going to say here and now, two and a half millions government guarantee is not enough if it is going to employ five thousand men, that is in the first phase, but what machinery are they making, how much is it to cost to manufacture that machinery, how are they going to market it when they do manufacture it? Show us the statement that they are prepared to put before a financial outfit without a government guarantee to get money. If they are going to make this kind of profit they don't need a government guarantee but can bring out their machinery and go to Ripley and Gundy and say put our machinery in this but we want another five million to pay the labour and here is our proposition, and what profit we can make. Harriman-Ripley and Wood Gundy, the great industrial bankers we hear about, would be only too glad, without a government guarantee, to float that loan, I think.

MR. SMALLWOOD: When the company has their record of earnings. Now this company has no record of earnings.

MR. CASHIN: No, but the people behind them, the biggest interests in the world.

MR. SMALLWOOD: The greatest industrialists of the world and I believe they are. I believe from what little I know about it that the people behind the steel plant are the biggest in the world, I believe you are going to give them a guarantee when the time arrives.

MR. CASHIN: But they should lay their cards on the table and show what profit. I don't care how much, it does not interest me, a hundred percent if it can be protected and that is what you should be interested in, not the establishment of industries and sticking up a lot of buildings and suddenly find you are out two and a half million dollars. Now that is common sense, not politics; it does not interest me, and it is not anti-European or anti-German or anything else but common sense. For instance, if we are to bring in a Bill today to establish a pulp and paper mill and wanted a government guarantee of twenty million dollars, the Premier would get up here and introduce the Bill and show, and rightly so, the markets are here and required an extra mill for newsprint manufacture and would show, according to statistics given by engineers competent to give it, how much it would cost to produce, how much the power would cost to develop, which is right in his possession at the present time, but here we have nothing and he asks us to support it, I will vote for it if he can show me definitely right now that it is a paying proposition, show me how he is going to market it, and only when he shows me that and brings in here an account from them certified by competent authority. I don't know who is going to go in there tomorrow and value their machinery. Neither my honourable friend from Fortune and Hermitage Bay nor any

member of the House can go in there and say this machinery is worth so and so or is in this or that condition, he knows nothing whatsoever about it. We should have certified reports to that effect and it is your job in the Government and not ours to see that we are protected. It is fine to establish an industry, and it is a wonderful thing; you have fifteen coming up now to go up in four or five years, it is a good thing, a wonderful thing but are they going to pay.

Mr. Speaker, I suggest moving the adjournment of the debate until tomorrow.

MR. SMALLWOOD: Mr. Speaker, I move all remaining orders of the day stand deferred and that the House at its rising adjourn until tomorrow Monday, at 3:00 of the clock.

Carried.

The House adjourned accordingly.

MONDAY, October 29, 1951.

The House opened at three of the clock.

HON. J. R. SMALLWOOD (Prime Minister): Mr. Speaker, I beg leave to lay on the Table of the House two copies of the accounts of the St. John's Municipal Council of the 21st March, 1950, together with the report of the Auditor General thereon. One copy has been authenticated by his signature, that is, the signature of the Auditor General.

I wish also, Mr. Speaker, to table a document which the public should be interested in, received by me today. It is a copy of the New York Jewish newspaper, DERTAG. I am afraid

members might have some little difficulty in reading it from the fact that it is published in Yiddish. Most of us here are just a little unversed in reading that language. However, the article appears on the front page and the editor sent a translation of it into English. I table the original document with copies for the press.

#### Presenting Petitions

None.

#### Presenting Reports of Standing and Select Committees

None.

#### Giving Notice of Motion and Questions

MR. CASHIN: I give notice, Mr. Speaker, that I will on tomorrow ask the honourable the Minister of Economic Development to table the following information:

(1) How many firm orders have been placed with the Birch Plant for any of its products—what firm or firms have placed the orders—table a copy of such firm orders, showing the quantity and value of such orders. Also to table a statement showing the cost of production of the various products of the plant after paying the cost of the raw materials delivered to the plant, the overhead, depreciation, interest, etc.

(2) How many firm orders have been placed with the Cement Plant at Corner Brook for any of its products? What firm or firms have placed the firm orders? Table a copy of such orders, showing the quantity and value of such orders. Also, table a statement showing the cost of production of the products of the plant, after paying the cost of the various raw materials delivered to the plant, the overhead, interest and depreciation, etc.

#### Notice of Motion

Honourable the Attorney General to ask leave to introduce a Bill "An Act to Amend the Automobile Insurance Act, 1951."

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

Honourable the Attorney General to ask leave to introduce a Bill entitled "An Act Further to Amend the Alcoholic Liquors Act, 1949."

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

HON. DR. H. L. POTTLE (Minister of Public Welfare): Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a Bill "An Act Respecting Old Age Assistance."

Also a Bill "An Act Respecting Allowances for Blind Persons."

HON. W. J. KEOUGH (Minister of Fisheries and Co-operatives): Mr. Speaker, I have the answers to several questions here.

Question 24, Order Paper of 25th October: To table a statement showing the total amount expended by that Department for travelling expenses to date during the present fiscal year; to whom the amounts were paid and what services were rendered in connection with such travelling.

Answer: The total amount expended to 30th September, 1951, on travelling account by this Department is \$25,224.09, of which the greater part represents travelling expenses incurred by field officials of the Department during the course of their normal duties within the Province.

In reply in respect of the details requested in the second part of the above question, it is in the course of preparation.

OCT-29-51

Question 25 (1): A copy of the Report or Interim Report made by the Royal Commission inquiring into prices paid for fish during the year 1950.

Answer: The Government is not prepared to make public the Interim Report of the Commission of Enquiry into prices of fish of 1950 production. This Interim Report, prepared at a certain time at the request of the Government for their information, does not represent the final conclusions of the Commission based on a completed enquiry. The Report contains observations that do not directly or exclusively affect the question of 1950 prices to fishermen and might moreover be held to anticipate the report of the Newfoundland Fisheries Development Committee. Copies of the Report have been made available to the Newfoundland Salt Codfish Association and to the Newfoundland Federation of Fishermen for their use. Copies of the Report will be made available to the members of the House of Assembly.

Question 25 (2): Who were the members of the Commission and what remuneration did each receive, if any?

Answer: The Commission of Enquiry into Prices of Fish of 1950 Production had and has one member only, Mr. Bruce Feather. Mr. Feather has received no remuneration in his capacity as Commissioner, his services having been made available for this purpose by the Department of Fisheries and Co-operatives.

MR. RUSSELL: Is that on the understanding it will be kept confidential. I will not undertake to keep it confidential.

MR. SMALLWOOD: You had better when ordered by the House.

MR. KEOUGH: Question 41 (1): What is the policy of the Government regarding the Fisheries?

Answer: Since the Fisheries weigh so heavily on the total economy of Newfoundland, the policy of the Government in respect of Fisheries cannot be separated from the policy of the Government in respect of all the affairs of Newfoundland affecting all of the people of Newfoundland.

As the administration of Fisheries is a divided jurisdiction between the Government of Canada and the Government of Newfoundland and since the two Governments have agreed upon the setting up of the Newfoundland Fisheries Development Committee under the Chairmanship of Sir Albert Walsh, K.C., the Committee being charged with the responsibility of recommending a programme for the Fisheries of Newfoundland and to recommend the share of responsibility to be borne by the two Governments, the industry and the fishermen in carrying out such a programme, the Government is unable at the present time to make any statement in respect of policy which might be held to anticipate the recommendations which the Committee may make to the two Governments.

Question 41 (2): Will the Minister say, in view of certain things that have happened, whether it is the intention of the Government to nationalize the Fisheries?

Answer: As above.

Question 41 (3): Is it the intention of the Government to fix prices and control the Fisheries?

Answer: As above.

HON. P. S. FORSEY (Minister of Supply): I have the answer, Sir, to Question 26, Order Paper of October

26th. I would like to advise the House this question has already been answered on the Order Paper of March, 21st.

Answer: The following is a statement showing the total amount ex-

pendent by the Department of Supply for travelling expenses to date during the present fiscal year; to whom the amounts were paid and the services rendered in connection with such travelling:

Name	Local Government Division	
	Amount	Services
C. W. Powell	\$381.52	Re-imbusement of travelling expenses for inspection of old and organization of new Councils.
E. W. Hutchings	363.09	Re-imbusement of travelling expenses for inspection of old and organization of new Councils.
J. G. Balfour	495.37	Re-imbusement of travelling expenses for inspecting and setting up accounting systems.
J. J. Healey	262.66	Re-imbusement of travelling expenses for attendance at School for Assessors at Moncton.
H. V. Rowe	614.47	Re-imbusement of travelling expenses for feild work promoting new Councils.
B. E. Brennan	1,627.97	Re-imbusement of travelling expenses for supervising installation of water and sewer systems.
R. Meaney	1,183.81	
<b>Purchasing Division</b>		
G. Hunter	16.71	Re-imbusement of travelling expenses for arranging purchases of provisions West Coast Sanitorium.
<b>Rent and Price Control Division</b>		
Burgess Bros. Cabs	17.00	Inspection of dwellings.
<b>General Office</b>		
Burgess Bros. Cabs	6.90	Attendance at Conferences within City.

26th October, 1951  
Department of Supply.

DR. POTTLE: With reference to Question 33, here on the Order Paper of October 25th, standing in the name of the honourable and gallant member for Ferryland, addressed to the honourable Minister of Public Welfare and requesting the following information:

The Honourable the Minister of Public Welfare—

St. John's to Halifax—Montreal—New York.

(Dominion-Provincial Conference on Old Age Assistance and

Maritime Conference on Social Work—four trips) ..... \*1,069.06



\* Of this amount \$223.19 was refunded by the Department of National Health and Welfare.

Mr. F. W. Rowe, Deputy Minister of Public Welfare— Mileage rates for travelling in connection with visits to Boys' Home and Training School, and in connection with visits to Regional Offices .....	85.39
Mr. S. R. Godfrey, Assistant Deputy Minister of Public Welfare— St. John's—Toronto (Attendance at Canadian Welfare Council and visit of Welfare Agencies. Visits to Regional Welfare Office, etc.).....	417.50

The Travelling expenses of other officials, for example, Welfare Officers and certain other headquarters staff cover routine duties and are accounted for under the block votes.

MR. SMALLWOOD: Mr. Speaker, some answers have been sent to me by the Department of Finance.

No. 1 (3): Newfoundland Savings Bank— General Reserve as at 31/3/51.....	\$1,100,674
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#### Orders of the Day

Adjourned debate on the Speech from the Throne.

MR. FOGWILL: Mr. Speaker, I wish to make a few remarks on the Address in Reply to the Speech from the Throne. First I wish to congratulate both honourable members who moved and seconded that a committee be appointed for the purpose of drafting a reply to His Honour's Speech. In doing so, Sir, I would like to say that both speeches of the honourable gentlemen in question were comprised mostly of good things to say about the Government and about the Premier. Of course I cannot blame them for that; indeed, Sir, it seemed in both cases the roundelay last Wednesday made his place that day a very fragrant place indeed.

MR. SMALLWOOD: People know a good man when they see one.

MR. FOGWILL: Most of the Throne Speech is taken up, I think, the most important part, is taken up

with economic development. We have several Bills here, Sir, presented to the House since we came in this session which are very important to Newfoundland. In fact, Sir, it is a new departure altogether from our ordinary way of living and from the way they were financed in the past. In discussing the proposed steel mill and the machinery plant and textile mill I did say last Friday on speaking to the Bill on second reading, in respect to the machine plant, that I did think at least 40% of those employed would have to be very highly trained and their technical skill would have to be very high indeed. Then, also, Sir, I said I thought the Government outlay in respect to financing of this plant, in my opinion, Sir, was too high. I believe that a limit of 25% should be sufficient for any people coming here to start any industry. I maintain that should be the limit, Sir. In the textile mill, or the steel plant, the employees necessary to operate this plant—the technical skill would not have to be so great, perhaps ten or fifteen

per cent, because in a cotton textile mill those people operating such mills, the machinists themselves can be trained in a short period. While it takes a high degree of efficiency to operate machines of that sort nevertheless they are just operators, whereas in the machine plant envisaged it would take a high degree of skill in handicraft. They create things, in the cotton mill the machine creates them. The same thing applies in the machine plant, ten or fifteen per cent of the men required would be semi-skilled and just ordinary labour, therefore I think the Government guarantee should be limited to twenty-five per cent, and as I said, I would be inclined to support all of them if the Government guarantee were confined to twenty-five per cent of the total outlay of the cost of those plants.

During the past year, Sir, the cost of living has increased, it is now about 190.6 and that in itself is not a true picture of the cost of living in Newfoundland because in St. John's the cost of living is compiled by the Federal Government and is based on the Canadian cost of living, whereas it was compiled by the Department of Supply in the past. I venture this opinion of my own that it is over 200 per cent today in St. John's and much higher in other parts of the Island. Also I would like to note, Sir, taxation has increased; we have a 20% increase on Income Tax; there is a sur-tax; I note also there is a 2% increase on the Income Tax by the Federal Government at Ottawa to pay for old age pension and this year also there is a 25% increase in the general sales tax. Now these taxes, Sir, bear a heavy burden on the people of Newfoundland where here today our cost of living is so much higher than on the mainland

where people are much nearer the sources of supply.

Freight rates, I think, are another thing the Government should take note of and there is a possibility the freight rates may be increased, I hope they will not.

In regard, Mr. Speaker, to Labrador and Dr. Seigheim's venture at Lake Melville, I would say, perhaps as far as we are concerned in the Opposition when it came in last Spring it was called a Santa Claus Bill, too good to be true. The Province of Newfoundland would receive a revenue of a million dollars a year on two hundred thousand cords of pulpwood; I express the wish, Mr. Speaker, that this will not flop, but I followed the remarks of the Premier when he said there was outside interference with this venture on Labrador. I wish to say, Sir, I myself, and I believe everybody on this side of the House will stand behind the Government and the Premier in opposition and condemnation when anyone outside interferes with the internal affairs of this Province. We here have various opinions, we are here to express them, but when we get any interference from outside with the economy of this country I condemn them very strongly; I say, Sir, interference of this sort, which I am led to believe was by the Pulp and Paper Association of Canada, I say it is foul, dirty and a stab in the back to this Province and this Government here should not tolerate it, neither should the people.

Mr. Speaker, I have very little more to say except that the fisheries this year are not in any more favourable position than last year and it appears to me some assistance will have to be given to the fishermen this Fall or next Spring when the fish is sold and

the results of the sales are known. I know, Sir, I visited a village only yesterday and found out from very competent authority there that there are at least sixty young men leaving to go to the Mainland of Canada, Goose Bay, Greenland and Seven Islands. That is not a good state of affairs for this Province, all the young men leaving, and it does not look well for the future if all the young men leave and go elsewhere to seek employment. That may account for the prosperity, there are not many out of work but there are some and the reason is that they have gone to seek work elsewhere and got it, at the American Bases, at Goose Bay and Seven Islands. These young men are gone perhaps never to come back. That does not look too well.

There is one more thing to say, Sir, that is the condition of the roads in St. John's East. I am very sorry the honourable Minister for Public Works is not present.

MR. SMALLWOOD: He went to attend an engagement, to attend the Good Roads Committee of all Canada of which he is an officer.

MR. FOGWILL: I hope, Mr. Speaker, when he comes back he takes a tour over the road from St. John's to Portugal Cove, after the Torbay Airport and then on to Portugal Cove and he would find a very good nightmare riding along in the day.

MR. CASHIN: Mr. Speaker, I did not figure on saying anything on this thing this afternoon, but would it be quite in order if I made a few remarks on this Speech from the Throne and probably adjourn the debate and go on for say a half an hour on it tomorrow?

MR. SMALLWOOD: I think that would meet with the approval of all of the whole House. We are happy enough so as to prevent a long session and hope that we can complete the debate on this motion this week and if my honourable friend would speak for a while today and on tomorrow afternoon again he might perhaps complete his remarks.

MR. CASHIN: I am willing, Mr. Speaker. One reason why I am not prepared to go ahead is the Government's fault; there are a lot of questions I have asked to which there has been no reply—the most important questions are related to finance.

MR. SPEAKER: Let me say now, the honourable member has no one to second his motion; has he an understanding from the Government that he will be permitted, otherwise if he makes a motion and there is no second he loses his right to continue.

MR. HIGGINS: I second the motion.

MR. CASHIN: First of all, it is apparently the custom of the House and of every House in the British Commonwealth, so I have to extend my congratulations to the two members who moved and seconded that the address in reply be prepared for His Honour the Lieutenant Governor. I could not do otherwise, particularly with my friend, the honourable member for Hermitage and Fortune Bay being a particular friend of mine and I am rather nervous in any criticism of him at any time. With regard to the Speech from the Throne itself we all agree with the first paragraph in the Speech from the Throne particularly with respect to His Majesty's illness and I believe that already the Lieutenant Governor has undoubtedly conveyed the sympathy of the Prov-

ince in this unforeseen illness of His Majesty the King. He came into that position under very trying circumstances and undoubtedly the circumstances which made him King of Great Britain had considerable effect on his health. We all rejoice to know that the Princess will be here and particularly that she will arrive here on the anniversary of Armistice Day, November 11, when I feel sure that both herself and her consort will receive the welcome which always comes from Newfoundland.

Now, let us get down to the Speech from the Throne itself. This Speech from the Throne is filled up with new industries; I might almost make my remarks on the various Bills that are to come before the House in connection with these new industries rather than on the address in reply. Instead of waiting until the time when the Bills come in because I have no intention whatsoever of trying to hold them up, rather on the other hand I have right from the beginning, and I regret to have to use the personal pronoun, I have stated any legislation which the Government brought in which is in the general interest of the Province, in my opinion, I would give it unqualified support. Up to the present I have done that. Now there is certain legislation before this House and I adjourned the debate on second reading of a Bill the other day, and I am going to make a reference to it now.

MR. SMALLWOOD: To a point of Order, Mr. Speaker, in the kindest possible spirit and not with any intention of disconcerting my honourable and gallant friend, I think it is out of order in the Speech from the Throne to discuss matters for which another opportunity exists or will exist in the same session, otherwise

we would be in the position of having the same matter debated twice in the same session. I think His Honour will undoubtedly recall that that is good parliamentary procedure, where it is stated that when an opportunity will exist to debate a motion it ought not to be debated in the Speech from the Throne, he will have that opportunity on these specific Bills.

MR. CASHIN: Mr. Speaker, is that right? I can speak of anything in the address in reply, the sky is the limit.

MR. SPEAKER: The point is rather a difficult one; I did not hear the exact words the honourable member for Ferryland used but if he is discussing the debate on the speech from the Throne and he will discuss certain Bills to come before the House, it is not especially in order, otherwise he would have two opportunities whereas other members would only have one.

MR. CASHIN: My remark was, Mr. Speaker, that this Speech from the Throne is filled up with new industries and I proposed to comment on these new industries and some of the Bills have come before the House now, as a matter of fact, I said, I moved the adjournment on the second reading the other day and I think I am quite in order to discuss in the speech from the Throne whether or not I agree to these industries. I agree with every new industry that comes to Newfoundland provided it comes in properly.

MR. SMALLWOOD: If my honourable friend will allow me. It is not a matter of discussing new industries but a matter of whether or not it is proper when these Bills will come before the House and one is addressing himself to the motion now before the House. To discuss these Bills in

the Speech from the Throne or in the debate on the Bills, I hold that while a member may of course discuss the industries in general, particular Bills can only be discussed when the Bill is before the Chair.

MR. CASHIN: I know that, Mr. Speaker, the Bills come up separate from the Speech from the Throne but I am going to try to the best of my ability to discuss this policy of new industries. What the policy seems to be: the Government has invited European interests to come here and bring in a lot of machinery or equipment and start certain industries, a steel plant, a machine plant, leather plant and others too numerous to mention. As a matter of fact the whole fifteen are not in yet, only two or three but the principle applies right through. They will bring in certain equipment and say: "Here we have this equipment, we are prepared to establish a steel mill or leather industry, but we have not a dollar, you lend us some money or guarantee a bond issue." The government says: "Fine, we will do that." I agree with them but there is one particular point that we have got to have made clear to this House, both sides, remember now I am not talking politics, I am prepared to vote when the time comes for every Bill that is to give a Newfoundlander a job, provided that we get a square deal. When a new industry is brought in here the people who are promoting it, European, Germans or Latvians, I do not give two hoots who they are—when they bring that machinery in here, who inspects that machinery and values it? How is it being done? Is it by competent authority? No one in this House is competent, no one hardly outside of the House whom I know of, experts, probably Lloyd's Surveyors, or it could come under the Department

of Public Works or someone on the Dock that would be capable of valuing that machinery and say whether it is good, bad or indifferent, how much it is worth in dollars when it is put down here in St. John's. Has that been done? I don't know. As far as I understand it has not. When the Premier talked on this matter he did not tell us whether or not it had been done. Very well, assuming that it has been done and the equipment is worth the money, what is the next thing? Now they come to the Government and say: "We want a loan of a million dollars." In order to be clear of this Bill business I say a million dollars in order to have some working capital to enable us to put up some building and pay wages. Very well, what is the job of the Government, the next thing they have to do is say: "Look here, gentlemen, what is your proposition to us, how much machinery and so and so are you going to manufacture, what is the cost to manufacture that machinery, where are your markets, what price can you get in order to make a profit to pay off our loan?" Has that been done?

MR. SMALLWOOD: Yes.

MR. CASHIN: No information has been tabled in this House to show it, as far as I understand. If so, I am telling the Premier, if he says it has been done by competent authority, I will support every Bill. On the other hand, I think it is unfair to ask members of any side of the House to support legislation that does not fully protect the interest of the Province.

Now, we heard a lot about this man Seigheim. Now, I don't want to unload myself and kick a dead horse, he is dead and gone forever. When this legislation was brought in I said it

was too good to be true. I had to vote for it, for I could not vote against it.

MR. SMALLWOOD: That was our position too.

MR. CASHIN: Your position was entirely different. You had no guaranteed money, nothing. You had not one document to show he had five dollars in the bank in Newfoundland or could get it from the German Government. Now, here is the story: he has no more money than I have, and that would not be saying much, in dollars. He came here on certain recommendations.

MR. SMALLWOOD: He even had to borrow his fare out here and back.

MR. CASHIN: He had to borrow the money for his fare out here and back. And the Government gave him concessions to export two hundred thousand cords of wood. Now, here it is. I know the outfit, one of the biggest outfits on the Continent of Europe.

MR. SMALLWOOD: And one of the biggest in the world.

MR. CASHIN: The biggest is in Corner Brook, they had no money either, they were unable to get dollars to buy pulpwood on this side of the water, they did it before in 1936, 1937 and 1938. The same company were buying on the Mainland, as a matter of fact, they had a ship loaded in St. John, New Brunswick, and war was declared; he cut loose and was captured going out through the Gulf. Now he went to this big interest in Europe, a broker like myself, and said: "I can supply you with two hundred thousand cords of wood a year if you would buy it, they would find the dollars but we would have to have

capital in order to produce it," and he did not have a dollar. They would not put up any capital, dollars, and that was no good to us. I could enlarge on that story but I am not going to do it. There were men shoved in jail down there because they went down and investigated it. We have no sovereignty on the Labrador. Our sovereignty went when we went into union with Canada. The military authorities have control there at the present time, and the Newfoundland Government can not say boo to them, and we know it.

MR. SMALLWOOD: We can say boo all right, there will be a war.

MR. CASHIN: That is ridiculous.

MR. SMALLWOOD: I don't mean atomic bombs.

MR. CASHIN: There are atomic bombs enough in that Seigheim thing to blow the works out of her. The position is this, the honourable member for Labrador is enthusiastic for Labrador but I was interested in it before him. In 1936 I was interested in a certain proposition on the Labrador that was supposed to carry eight million cords of wood, but there was not a million when it was surveyed. The best wooded areas are in the Hamilton Inlet but go to any shipping man on this side of the water or the other and he will not undertake to take wood out of Hamilton Inlet for more than one hundred days a year. The Government knows that it is only nonsense to talk about six months, while you might get it sometimes, you can't get boats covered by insurance, they are not going to take chances, but you can on the Southern end where wood is not too plentiful, but Hamilton Inlet, I suppose, is starting to freeze up now. There is no

insurance there now for marine insurance, but then poor unfortunate me, a fool, don't know what I am talking about but ask anyone who knows anything about it, forget me, go to a shipping firm. This man Seigheim was a flop, the biggest flop that ever came here. It reminds me of the old days when certain financiers started selling the Labrador, running back and forth every other week, had it sold to the Province of Quebec, all they had to do was go up. It is the same with Seigheim, the same fly-by-night, no money, never was in big business, has no big business. He had the biggest furniture factory in East Germany and he had to fly out of that and get over to West Germany and get into business again and was two years in the wood business and then he is going to operate a big concession of two hundred thousand cords a year. Do you realize how many ships that would take?

MR. SMALLWOOD: Seventy-five ten thousand ton ships.

MR. CASHIN: Ten thousand ton ships would take six thousand cords at a time and that is the biggest ship you have trading across the Atlantic. Do you know how much wood comprises that cargo? I doubt if any member, except the Minister of Labour, can tell me how much wood in a cargo of wood is on deck. No, and if I told you you would not believe me.

MR. SMALLWOOD: I believe everything you have told me.

MR. CASHIN: Over a third of the wood, if there are three thousand cords, there are a thousand cords on deck, and just imagine the size of that pile of wood if three thousand cords were measured it would stretch from here to Topsail and then someone here mentions ten thousand cord shipments.

MR. SMALLWOOD: They do it in the Baltics.

MR. CASHIN: Yes, but they don't have the Atlantic to go over.

Then they will have schools down there. If that fellow comes back here again, let me know, I will get after him. He should be shot; get a bomber to meet them. Every day in the Mount Royal Hotel in Montreal or other hotels in New York you will hear that kind of talk; and he was introduced by the Director of Economic Development, had no recommendations to the Government at all, no bank reference, no nothing. However, as I say, why waste a kick, he is done, he is finished and I only hope you can get some interests that are prepared to develop Hamilton Inlet and all the rest of Labrador and I am the first man in the House to support a business proposition. I think the Premier will remember I said those things when it came in, although I was a "cod."

MR. SMALLWOOD: You said it was too good to be true.

MR. CASHIN: Lord Morris used to use that expression across the House. It is an old parliamentary phrase. The thing is a cod, made a cod of; the Government came in here enthused about what a wonderful thing but he had not a cent behind him, a man who had to bum his way out and into the country. I don't know if the Government paid his way in and out.

MR. SMALLWOOD: That applies to everyone on the Continent of Europe.

MR. CASHIN: I know, that is why we have to watch them and we are passing Bills here now to expropriate land and I want to tell the honour-

able Minister of Justice he had better look out for them; people are going around making surveys of property to be taken over for certain industries and when they go in on a person's land like I understand they did two or three days ago, and to be told by a European, we are going to take it on you, by Heaven, Mr. Speaker, excuse me, I only heard the rumour, and I am going to confirm it one way or the other, but I am saying right now so as to give warning to those Europeans if they are in here getting off that stuff.

MR. SMALLWOOD: They are not, but if so I will go with you.

MR. CASHIN: Mr. Speaker, if we have to take that.

MR. SMALLWOOD: I will go along. There is nothing in it, naturally I hope not.

MR. CASHIN: But if there is, I am going to fire him to hell's flames out of this country.

MR. SMALLWOOD: You won't have to, I will fire him out first.

MR. CASHIN: That is a returned soldier he said that to.

MR. SMALLWOOD: Confirm it first.

MR. CASHIN: I am not saying definitely but I am saying it to warn them, there is going to be murder around here.

MR. SMALLWOOD: May I say this, the only firm at this moment actually negotiating for land is the Cotton Mill and they are negotiating with the Church of England Orphanage and, believe me, as a matter of fact, I happen to be the one conducting the investigation and I have not said

one solitary word to the effect that we are going to take it. It is the last thing on earth we would even think of, not alone do.

MR. CASHIN: I gather that there is other property in there besides the Church of England property, if my information is correct they were in on that property surveying it for the Government, in on a farmer's property I understand, I am not making the statement definitely. I would break up this House, break her up if I knew it was definite. A lot of our fellows went through hell in Europe and they are not to be kicked around, not by Valdmanis or anyone else. I want it understood here and now I am the last one to tolerate that, I am prepared to lead the mob to wipe them out.

MR. SMALLWOOD: May I say, Dr. Valdmanis has had nothing to do with it. Gordon Pushie and Mr. Barron are the two who have to do with sites for factories.

MR. CASHIN: It is one of those impertinent—

MR. SMALLWOOD: Now these rumours get around; the truth is probably some one has made it up and spread it as they did about Dr. Valdmanis.

MR. CASHIN: We have to find that out. With respect to this whole development programme; Dr. Valdmanis, we are going to erect a monument to him. He has not brought a dollar into the country yet but people are coming in and we have to guarantee ten or twenty million dollars on their various industries, but not one new dollar has arrived in Newfoundland.

MR. SMALLWOOD: That is not so. There were three hundred thousand dollars worth arrived in here for



the tannery which will begin production in January, here now. That is dollars. It is in the form of machinery but it is dollars.

MR. CASHIN: Yes. Hold on a minute. No, they did not pay one dollar, they manufactured it in Europe and they bought it from some manufacturer and shipped it out here and they valued that machinery at so many dollars. Who valued it? The people that own it?

MR. SMALLWOOD: No.

MR. CASHIN: There were no dollars went out to buy it, therefore no dollars came in. The machinery came in but it did not bring a dollar with it. They have not a dollar. I say there has not been a new dollar come in yet, it is the equivalent but we have to match it dollar for dollar.

MR. SMALLWOOD: We only lend it.

MR. CASHIN: The position I am trying to make, if any of these industries are sound financially, you are mixed up with the greatest banking outfits in the world, Harriman-Ripley and Wood Gundy. If they are so wonderful why does the Government have to guarantee them?

MR. SMALLWOOD: Why did Corner Brook need a guarantee. I will tell you pretty quickly. In 1923, Corner Brook got two, one from the British Government and one from us. In reality Newfoundland guarantees all the twenty million because if it went broke we would have to pay all, but we would get the mill—they could not put it in their pockets and run away.

MR. CASHIN: Now, here is the position, I have stated it here a hundred times, I am sorry to be interrupted and have to repeat myself.

Here is the position: The A.N.D. Company, a pulp and paper company in Newfoundland tried to block everyone else from coming in from 1905 to 1910 when they operated and they showed a loss in operations until after the first war then they started to show a profit. Why? Because Great Britain set up profit taxes so high and Newfoundland had no profit tax at that time and they decided to show the profit out here. Now, before that, during the period you must remember when the late Sir William Reid tried to open Corner Brook in 1910 and was knocked by the A.N.D. Company because they were showing a loss and investigators would go to them and decide, why put money in a mill in Newfoundland when the A.N.D. is losing money? They were not losing it, the Daily Mail and associated newspapers in Great Britain were cleaning up, but when they slapped on taxes the mill at Grand Falls got its just rights and in order to get Corner Brook going we had to guarantee the money, not only us but Great Britain.

MR. SMALLWOOD: But the guarantee was given.

MR. CASHIN: Yes. Further when the legislation went through this House I was the only member here now who voted for it. The members in here now were only children then, still on the bottle. I am not saying what kind, a political bottle, a bottle anyhow. We had a full-dress debate here. I am going to tell you, I was opposed to the guarantee until I was shown the error of my ways by my father and my late brother-in-law, the Speaker of the House. We were in opposition to it in a party meeting, to guarantee ten million dollars we thought was a frightful thing. I think the late Judge Higgins was the Leader of the Opposition, my father was one

of the leaders and I got bawled out and it was pointed out why I should vote for it on principle in second reading, but we had everything technical before us, how much paper it was going to produce, where it was going to be sold by, I think, the Bowater people in Europe, on behalf of the mill here. In fact one of Bowater's directors was out here for a while in Corner Brook and spent a great deal of time there learning the business and Bowaters were sales agents for the Newfoundland Power and Paper Company and went to wing over there spending money but did not have any to spend in building and operating a paper mill. But I have one fault to find; I would tell him if he were alive too. He did not regard money, he wanted to put the best in the world there and it cost too much money.

MR. SMALLWOOD: His biggest failure was not to use John P. Powell.

MR. CASHIN: I have heard the International Power and Paper said prayers to Mr. Powell one time, and only for him would have acquired the Gander Area but Mr. Powell stuck out against it for a mill on the Gander which we never got and I don't suppose we ever will now, I don't suppose they have the timber to put a mill on the Gander unless they use wood from Labrador. That was the guarantee we had in those days but when Edgeworth come in, his organization got concessions. Buchans had no guarantee. Bell Island had no guarantee, none whatever. Now we have to guarantee everything. I am prepared to guarantee money for any good industry but I want to see whether we can get it back and I am voting for any legislation which is going to come around here if the Government can show me how much

they will have to lend these people, where the markets for it are to sell it, satisfy me on that point and I will vote for it. On the other hand if they are not able to show me that I don't think any man should vote for it; it is insulting his intelligence to ask him to vote for anything he knows nothing about, it does not matter how it turns out. We may have to go to church and keep praying it turns out okay and that applies to the construction of the steel mill, the machine plant, the textile mill and everything else. But if you have a prospectus to show us I am prepared to guarantee anything where it is reasonable, and a fifty fifty proposition I think, is good; I am not in accord with the member for St. John's East, we guaranteed ten millions for Corner Brook. The whole thing cost forty-eight millions and we were never called upon to pay a cent so far, but we knew there was something that would sell. Now we don't know what is to be produced, where it will sell, what is the cost of production or what they can get when they sell it and the same applies to everything we got here now.

Now the cement plant which the Government owns, they think they can sell the cement. I know there is a market for cement in here for a certain amount, but no five million bags as the Premier said, or anything like it.

MR. SMALLWOOD: Would it surprise you to learn that one customer alone needs five millions, one carload a day of ten cars, one train load a day. It is for defence and I ought not to say it.

MR. CASHIN: Now that is an entirely different matter; there won't always be defence and if there is, God

help us all. You have to conduct business on the basis of what you could sell if there were no war, no defence.

MR. SMALLWOOD: If you can wipe out the cost of the factory with defence orders?

MR. CASHIN: If you can do it but here is the position, do you know where you can sell that now, can you get—

MR. SMALLWOOD: Can we get defence orders for the others? Can we get accelerated help from the Government of Canada? Yes.

MR. CASHIN: Well, Mr. Speaker, in order to convince all of us, will the Government of Canada take the products of this plant?

MR. SMALLWOOD: No, of course not.

MR. CASHIN: Well I have only to take the Government's word for it, Mr. Howe is the man who says so in Ottawa.

MR. SMALLWOOD: I was talking to him a few days ago.

MR. CASHIN: I saw a document he signed the other day for things here in Newfoundland; if he is to take the products of the plant or steel mill it is not wrong to ask him. I know he is recognized next to our Lord in Ottawa, a big man yes—talk about Stalin—he is a big man, he is running Ottawa with a rod of iron in regard to all economic matters, yes, and all other matters and if he is such a big man and seeing as this is such a small province, is he prepared to put in writing tomorrow that he is prepared when we guarantee money, is he prepared as Minister of Defence to purchase the products at market

prices? Mind now, I don't want anything extraordinary or above market prices for the products of these plants, the steel mill and machinery plant, he won't buy the textiles from us, but is he prepared to do that, if so I would vote for it now. My vote does not amount to a rap but I don't want to vote against anything that is good for the country. I must have some assurance. It is all very fine later on, just like the terms of union; my friend here the other day, the other independent member here, brought up that we did not get our rights when we became a Province of Canada and I have preached that for two, three or four years and no one listened to me, I was a fool. We did not get proper terms ever, and you will have to chop it out of the woods, we should get ten or twelve millions a year definitely, not as a transitional grant but a continuous grant from the Federal Government because of the difference in our national debt and not one on the delegation there tried to get it. The transitional grant will be gone in two or three years, just about and then where are we, down to nineteen million dollars now and have two or three million mixed up in cement and a couple of million more in Corner Brook and the proposed Crown Corporation, your machine plant, steel plant; then we have the fine new highway. And then we got to go into the loan markets and that Bill in here today states the rate of interest is four and a half percent, which is wrong.

MR. SMALLWOOD: We won't have to pay any such rates.

Manitoba floated an issue of ten millions for less than four percent.

MR. CASHIN: We should not legislate here for more than four per-

cent. This crowd Harriman-Ripley and Montgomery will get the four and a half percent. However, as far as Manitoba getting ten million and Ontario floating fifty millions they had to go to the United States for it, no one in this wonderful nation had these millions—they have to go across the border to get a loan. If they had all this money we hear about they would not have to go across the border, the United States owns them lock, stock and barrel.

MR. SMALLWOOD: They have eight thousand million dollars in the bank.

MR. CASHIN: Yes, and if tomorrow need arose you would have to go across the border for the money, the paper interests own the controlling share in all of it. How much paper a day is manufactured in Canada, how much is controlled by the United States, they are controlled by the United States instead of Ottawa and it is only a matter of time, I may not live to see it, when they will control us as well. It is bound to come.

MR. SMALLWOOD: The coming war may make a lot of changes.

MR. CASHIN: The United States will control Canada and own it and we will be a part of America inside of fifty years; the Premier might still be alive and his whiskers will have grown by then, you will be here when the United States takes you over, lock, stock and barrel, and God Bless America.

Now about these new industries—I am going to have a crack at them before I sit down and move the adjournment. Under the terms of union there is a paragraph about development of Newfoundland, as a matter

of fact, there is a term written in whereby Canada was going to send people down to investigate our economic situation, find out about our natural resources; we have had no one yet and it is peculiar, if they came, they have not spent a dollar in here.

MR. SMALLWOOD: The terms did not speak of that, it said surveys.

MR. CASHIN: They have not invested a cent and we have had to go to Germany to get machinery, not a dollar since they came here, the only money from outside, real money, since we became a Province of Canada was American money. This stuff they are giving us today, the transitional grant, baby bonuses, old age pensions tomorrow, we are paying out more money than is coming back and we don't realize it and yet it is clear that taxes are going up tomorrow or next day to pay old age pensions to J. W. MacConnell, an old age pension of \$40 a month, if that is not ridiculous legislation I don't know what it is. Then he tells us we are tied up with a great nation. A nation that will vote forty dollars a month to the wealthiest man and the poorest in the country, but the poor man has to pay for the rich man, has to pay sixty dollars a year towards MacConnell's pension. A maximum of sixty dollars a year has to be paid to J. W. MacConnell's pension and I would mention here to the wealthiest man on Water Street, MacConnell made more money on the Labrador proposition than any man in Canada.

MR. SMALLWOOD: What will MacConnell pay?

MR. CASHIN: He will pay in proportion to his income and his income is probably a couple of million a year, but it seems to me ridiculous.

It is none of my business, I know it is a Federal matter but tomorrow or next day my friend, the honourable Minister of Public Welfare will bring in legislation with respect to old age pensions in order that we may give an old age pension to Mr. Bowring and Mr. Job and a lot of others.

DR. POTTLE: It is a scheme of assistance based on a means test.

MR. CASHIN: When he is sixty-five years old he has a means test, is there any way of hooking forty dollars a month out of it?

These are a lot of details you will have to get tomorrow, I have been speaking now for about an hour and I adjourn the debate until tomorrow.

Committee of the Whole, "An Act to Amend the Industries Act, 1931."

MR. CURTIS: As the Committee will remember we read the Bill in detail at the last sitting, but there were a few points that were deferred and the Committee might deal with them now.

First of all we have the point raised by the honourable member for Ferryland, Section 2, page 1. These new industries have no right of themselves to take land, the only person having the right is the Minister of Economic Development and he can only do it with the approval of the Lieutenant-Governor-in-Council.

MR. CASHIN: I quite understand that but at the same time, I would like to warn those people right now.

MR. CURTIS: Now, the honourable Leader of the Opposition referred to page five, sub-section (5): "Within a period of six months"—I agree that would be a long period if advantage were taken of it but I

would like to say for the information of the House, this legislation is taken entirely from the Public Works Act passed in 1932 and has been in force now for nineteen years and I have never heard it denounced for any abuse under it and I think the House may safely assume that legislation which has operated for nineteen years and has stood the test of time—

MR. RUSSELL: It is time to change it.

MR. CURTIS: However, it has stood the test of time whether it is good or bad and I assure the honourable member if there is any abuse of it we will be only too happy to change it. The same applies to Section 12, that is appointments to the board of assessors, I would remind the House the person nominated would be the Minister of Economic Development, the Chairman he names and he names one other, and the third is named by the person whose land is to be taken. I think it can be safely assumed that this section which has been in force since 1932 and there has never been any suggestion of abuse in any way is satisfactory though members might feel it would be desirable to have it otherwise, and if any member criticizes the way this operates, necessary changes will be brought in, in the next session. I think these are the only points. My honourable friend the Leader of the Opposition did refer to a question of fees, on page 7, I think that is a trifling matter which can be covered and if we should lose \$10 or \$15 for non-payment it is a matter of out of one pocket and into another.

MR. HIGGINS: Except that industries would get away from paying fees.

MR. CURTIS: We don't feel we will lose a great deal in losing the

registration fees and we feel it will save a lot of bookkeeping. So I suggest, Mr. Chairman, we might let the Bill go as it is.

MR. HIGGINS: I would like to say something about this Board of Assessors. It is not the proper way, almost a vicious way of coming to land values, the Government would fight to keep it as low as possible and the other side as high as possible and I have heard cases where the old man got far too much; officers on the board should be independent people. I would suggest six or eight people should be chosen and out of these from time to time three should be picked, someone suggested a judge of the Supreme Court, but I don't know, it would take up too much time as there may be a large number. But certainly I can tell you that is the way to get at the proper value. In the matter of the American Bases during the war it worked out well, the people were not trying to give people the lowest prices, we went into the matter carefully; if not the whole thing would have run amuck and some would receive millions and others on the other hand nothing. But when it is handled by independent people everybody is satisfied, otherwise nobody is satisfied; it should be tried by independent people.

MR. CURTIS: Would my honourable friend like me to go back to the Cabinet with it?

MR. HIGGINS: No, that is all right.

MR. CHAIRMAN: All the clauses have been passed with the exception of Clause 3—passed.

MR. CURTIS: There were some minors involved so we have made the Bill retroactive.

The Committee rose and reported having passed the Bill without amendments. Ordered read a third time on tomorrow.

Second reading of Bill, "An Act to Approve and Give Statutory Effect to an Agreement between the Government and Canadian Machinery and Industry Construction Limited."

MR. CASHIN: Mr. Speaker, when we adjourned on Friday I was discussing some of the principles of this Bill on second reading. This afternoon I gathered from the Premier that there is some sort of prospectus for this company which will show or justify at any rate the government venturing or guaranteeing two and a half million dollars. I don't know whether that is correct or if I interpreted him rightly or wrongly. If that is so, Mr. Speaker, will he be prepared to bring that into the House? Now, this afternoon we gathered that the Ottawa Government is prepared to give concessions to the extent that this Company will wipe out its debt or its whole capital commitments in three years, accelerated depreciation. But I notice in the Bill you loan two and a half million for ten years, considering that it will be a matter of accelerated depreciation and as I understand that, the money that a company will put up to start an industry to cater to defense of the country they are prepared to allow them to make sufficient profit so that they will pay the investors off in three years.

MR. SMALLWOOD: No, it does not mean that.

MR. CASHIN: What does it mean? That is what I take it, if there is accelerated depreciation for three years it means the two and a half million is wiped out in three years, this guarantee is for ten years.

MR. SMALLWOOD: The honourable gentleman knows what depreciation means. A firm is permitted to depreciate its plant for the purpose of taxation only in certain stages according to the type of thing it is, a steel building or concrete building or stone building is permitted a certain rate of depreciation as against a wooden building and other types. Then equipment and machinery are allowed varying rates of depreciation for the purpose of taxation only. Now, these run, I think, they run up around seven, ten and twelve years. In that period of time one is normally permitted to depreciate his plant and equipment. And the accelerated depreciation means he is permitted to take a higher rate of depreciation for the purpose of taxation for three years rather than in a longer period. What is the advantage of that? The advantage is this, the person who accepts accelerated depreciation is gambling that by the end of the three years the rate of taxation will have fallen so that he will wipe out his depreciation in the three years. Now, will taxes fall? Look at taxation in the last ten years in the world, in any country, will it fall in any of these countries in the next ten years, it is a gamble, some are good and others not, but the Canadian Government offers accelerated depreciation only for industries classified as defense industries so apparently it is an advantage, it has nothing to do with repayment of loans and that sort of thing.

MR. CASHIN: That is what I understood it to mean, however that is not so.

On the other hand an undertaking from the Federal Government, this man is going to get certain defense or-

ders which in themselves guarantee profitable operations. Now, that proof has to be shown to the House. Does the Cabinet know it, you have a Cabinet, have they seen the letter from the Government at Ottawa saying we are going to give this outfit or company as it is called now certain business which will make it pay? The Cabinet has not seen that from the Canadian Government. Has the Canadian Government written a letter or have you just interviewed Mr. Howe and he told you he is going to give it? But is he prepared to give anything in writing to the members of the House?

MR. SMALLWOOD: May I say I have written a letter to him, and I am expecting a reply when Mr. Howe can get around to it.

MR. CASHIN: Well, we all know how busy he is but he is not the only busy man in the world. He has plenty of time at his disposal too just the same as anyone else. This concerns the credit of this Province. Would the Premier have any objections if I drafted a telegram to Mr. Howe tonight and asked him, in view of the fact this legislation is here before the House, in our local legislature, this bill asking us to guarantee two and a half or three million dollars is before the House, will he undertake to give certain business to this company when it is in operation, in order to make it a paying proposition?

MR. SMALLWOOD: Well, the honourable member is at liberty to send a telegram but the reaction will be: what is happening now, is Major Cashin a member of the Government?

MR. CASHIN: No, the leader of the Government says these things but the House knows nothing about it.

MR. SMALLWOOD: I am sorry I mentioned it at all.

MR. CASHIN: Well, we will take it all back, Mr. Howe never appeared in the picture, but the fact that he is in the picture would make it a good proposition. But assuming he is not, now is there anything in there to justify our voting for it? No, there is not. Is any member of the Government able to give any justification for it on a sound financial basis? I question whether any member of the Government is able to get up and justify this loan.

MR. SMALLWOOD: Oh, yes.

Why do you suppose we brought it in? Because we can't justify it?

MR. CASHIN: You have not justified it yet in your introductory speech, you have not shown that the Company is going to produce a certain amount of goods to make a certain profit, nor has that company given a prospectus as to what it can manufacture this year, what it is going to cost to manufacture that product and what they get when they sell it. Have you got this? No, you have not. Well, then, how can anyone get up and justify the Bill. Now, let it be understood, Mr. Speaker, I am not criticizing this for fun, it is an effort on my part to criticize it but I am not to be looked upon as a fool, but I look upon myself as a gawk for voting for that Seigheim Bill.

MR. SMALLWOOD: Who has suffered? We gave him authority to pay us \$5 a cord.

MR. CASHIN: You gave the outfit authority not worth five nickels. Is every tramp going to come in here and —

MR. SMALLWOOD: He is not any tramp.

MR. CASHIN: That is what it looks like to me, any old bum, because we know nothing about this fellow Seigheim.

MR. SMALLWOOD: We did.

MR. CASHIN: He was never in industry, just an ordinary broker.

MR. SMALLWOOD: For thirty years he has been supplying the firm you mentioned.

MR. CASHIN: Mr. Speaker, for thirty years, he was not in the wood business two years ago.

MR. SMALLWOOD: He has been in the wood business for thirty years.

MR. CASHIN: No, he was in a furniture factory with fifty people employed not two years before he came out here and he fled out of East Germany.

MR. SMALLWOOD: The honourable gentleman says that but it does not make it so.

MR. CASHIN: And he comes into this House and he is going to incorporate a company in Switzerland, but he was not allowed to incorporate one in Switzerland, came over here and falsified a Swiss name, he had no authority to use it at all. However, I don't know if it applies to this thing but I would like the Premier or any member of the Government to tell me why I should or should not vote for it. I know you don't care if I do or not, don't give a hoot.

MR. SMALLWOOD: The people of Newfoundland care.

MR. CASHIN: I will tell the people of Newfoundland, and I can challenge any man on the facts that are presented in this House, there is nothing to justify voting for that Act,



not one member has justified it, they have not produced one iota to tell me or any member of their own party they should vote for it. I challenge any member of your party to stand up and say how this thing is going to work, if the proposition were to go before Gundy or Harriman-Ripley, that is a joke, a huge farce.

MR. SMALLWOOD: The honourable member is intoxicated with his own words.

MR. CASHIN: As a matter of fact it has been quite a while since I have been intoxicated although this is nearly enough to drive me to drink, nearly enough to drive a sober man to drink, to come in here and be told we should or should not vote for that and not producing any information, for my part, if I were in better health you would never get it through, I can tell you that.

Now, the honourable Minister of Public Health looks at me, I ask him to get up and justify it on the facts presented to this House, you can't do it as a business proposition and neither man in the Government can do it. There is only one way the Premier can do it. Bring in here the quality and quantity of machinery these people are supposed to make in a year, how much it is worth, how much it is going to cost to manufacture and what they are going to get for it. Tomorrow, if you went to the loan market to look for a loan you have to give them your budget first thing and they would ask what is your budget for next year. The same applies to this thing. I put it to the honourable Minister of Public Health as a businessman to tell me that is a sound business proposition on the facts there.

HON. JAMES R. CHALKER (Minister of Public Health): As I know it, it is definitely sound.

MR. CASHIN: As you know, as members of the Cabinet, well, if you have information as a member of the Cabinet which we have not here then I tell you, you are derelict in your duty not having the House know, the House is entitled to know the facts. As they have been presented here, leaving Mr. Howe out of it. Now, we are leaving him out because there is no undertaking in this Act that Mr. Howe will give you five cents worth of business, no letter to prove it, no order from him and even if you have an order from him there is still no justification for it. If you want, tomorrow, to raise money at the Bank of Montreal—by the way you have a banker in the employ of the Government, a loan board man, ask him, Mr. Baxter, what kind of business proposition that is.

See what he tells you. He will say: what are those fellows going to make? I am wasting my time, Mr. Speaker, talking on that; the Government has made up their minds to vote away two and a half million dollars of public money without any justification and why should I waste my time. But I challenge anyone to get up and on the basis of the facts presented here prove to me I should vote for that legislation. I want to vote for it if it is going to be good, employ five thousand men; you want twenty-five million dollars to do that. In our experience so far with the Director of Economic Development he has brought in no money to this country. If it is going to employ five thousand men it will need twenty-five million dollars.

MR. SMALLWOOD: Well, yes, that is so.

MR. CASHIN: That is quite all right, I am only asking why we should guarantee two and a half millions, you have not told us yet. We will probably hear now from the Minister of Public Welfare. I am going to conclude now and I repeat I want to hear him or any other member of the Government justify this on the facts presented to the House, the evidence in the case you have presented to the House, you have not presented enough as I see it and if you have it I will be the first man in the House to vote for it. Not that you care, I know, you have made up your minds to put it through whether anyone else likes it or not, you are whipped into line, but get up and justify it as a business proposition and I will vote for it.

MR. RUSSELL: Mr. Speaker, whether or not we have a sense of economics, I know I have not, we should at least have a sense of history and give this debate every consideration in keeping with the importance the Bill justifies. Now, Sir, to save a great deal of time for the House I am going to say exactly the same thing to this Bill as I would if I spoke to each of the other three or four or however many there are to come. I won't repeat myself at all. I doubt if I will speak to the second reading of any other of those Bills producing any industries along the lines outlined by this one.

The way I regard it, Sir, this one or any other one does not matter, as far as I am concerned were the Canadian Government going to buy any products or not is irrelevant because if they are going to buy from some they are definitely not from all, I could name some of the industries

now which C. D. Howe is still awaiting with bated breath so that they can supply for defence purposes, but I have in mind certain facts and I speak on this one, the enunciation of "Make or Break" by the Premier. When the Premier expounded that make or break condition I was not enthused by it. There is no logic whatsoever in supporting one of these now and then refusing to support number two or number twenty-two or number thirty. When we support this Bill, when the House passes it at second reading, that is the end of it. Does that mean the technical language and phraseology are quite sound? I have no interest in Committee of the Whole. I am interested only in the principle. Once this Bill is passed we open the door to the whole programme envisaged by the Speech from the Throne and by various public utterances by the Premier and other members of the Government. This is the open sesame. There is no point, I am not voting on the two and a half million dollars guarantee, I am voting on the two and a half million dollar guarantee which will do until next July plus the rest of the twenty-five million for this one industry, plus I don't know how many million for the steel industry and all the other millions that may be needed to finance all the industries to be financed by this particular and peculiar technique. The passing of the second reading of this Bill will open up a chain reaction which is very, very interesting to note. As I have already said, one phase of this chain reaction, one aspect is it will no longer be logical to oppose the second or third after passing the first, they are sort of interdependent between these industries, there is bound to be a common identity. If we have the machinery mill what in the name

of common sense is the use of turning down the steel mill designed to supply it, the machinery mill, with raw material, with steel? Why turn down, for instance, a further mill that is going to use the product of the machinery mill and why turn down probably a machinery mill that is going to make the machinery and the equipment to set up such things as feed mills and flour mills which may come up, a chain reaction?

So, Mr. Speaker, when I speak to this Bill I am speaking to them all, every Bill that has been named already or will be named or brought up in future with just one thing in common, that they are to come from Europe and be financed according to the technique described in the first Bill, the one now under discussion.

Seven months ago, Sir, within a day or two, I left the Cabinet. It is no secret now for me to say, I won't be divulging any secret of the Government or making them indignant when I say at the time I left, probably a month before, the Government had just made certain arrangements, with our Dr. Valdmanis, it is no longer secret, it is included in the estimates, criticized a little by the Opposition, and defended by me as they were by the other members of the Government. At that time and for and in consideration of that arrangement we made, it was evident to me and every member of the Cabinet what the pattern was or the major part of it at any rate. I suppose the Government hoped and still hopes to acquire some other new industries along some other technique, but the pattern along this technique was established, likely a detail or so have been ironed out here and there, but the names of some of the proposed new industries are well

known to me as they are to other members of the Government and as they now are to the public. I opposed the technique as I oppose it now. I was faced with, among other things, this particular issue of staying along with the Government.

MR. SPEAKER. I must interrupt the honourable member. I don't think he can mention any action that he himself took while a member of the Cabinet.

MR. RUSSELL: I don't know if I can revise the form of my remarks or not, to bring them in line with your wishes, Sir.

MR. SMALLWOOD: To a point of privilege, Mr. Speaker: If the honourable member insists on describing his attitude in the Cabinet I will be obliged to tell far more than he will be able to tell, but on any act in the Cabinet, I think in the interest of Cabinet secrecy, I should say as little as possible.

MR. RUSSELL: The only thing I have referred to is negotiations which have since become public.

MR. SPEAKER: It was purely in the honourable member's own interest I reminded him it is not right to say no matter what action was taken later.

MR. RUSSELL: Mr. Speaker, I shall go very slowly and trust you to stop me, I will keep as far away from the thin ice as I possibly can.

Very well, today, seven months later, not having been actively associated, though this I knew, Sir, I will say that much, these things are not seven months old as Government decisions, and I am prepared and feel quite justified in expressing my opinion about them. I know the Premier expressed determination, ex-

pressed it in the House, it is probably out of order for me to refer to it but I will stop when asked to, that this programme, this intention for this programme is to go through. Even if in order to do so the Assembly will have to be dissolved and another one called by election. I will say this he will probably seek no—

MR. CASHIN: There is no doubt about it.

MR. RUSSELL: I am discussing the immediate one, an industry that may mean five thousand jobs, let us not try to kid anyone on either side, if those five thousand people out in the shadow somewhere in Newfoundland, at least five thousand of them if they knew they were destined to get those jobs, how do you think they would want me to vote today on this issue? To vote for it. I am not voting against it because, like the honourable member for Ferryland, if I knew enough about it, I don't know enough about it to vote against it, I most surely do not know enough about it to vote for it.

Now, Sir, the financial technique has been described quite clearly in the speech moving second reading, the honourable member for Ferryland has repeated it and gone over it and I don't suppose it is necessary for me to elaborate at the moment except probably, I can add this; let us suppose that the two and a half million bonds are issued, knowing that they can cash them in ten years time, they want to hold on to them instead of selling somewhere else, in the meantime, year by year, for ten years they will draw their interest. If the industry is successful there is no reason in the world why all that should not be done in due course without costing the people of Newfoundland five

cents. If, however, the industry does not succeed the bond holders have to get their interest from somewhere. And when the bonds have matured they have to get their money back from somewhere. Our guarantee just means that in case the industry does not succeed, in case the whole project is not sound the people of Newfoundland have to pay it, the two and a half million, and the same applies to all the other millions yet to come. Therefore I am concerned with this: Is the project sound or is it not? In passing I am just going to make one reference to the credit of the Province. That has been explained quite a bit and I have given quite a lot of thought to what it means. What is the credit of the Province? What is my credit? Not quite what it used to be, Sir, but I still have some credit. It is the confidence my grocer, my butcher or someone else has in my ability to pay, if not now, at some future time. The credit of the Province is the recognized ability of the Province, recognized by somebody to lend us bonds or guarantee bonds, the recognized ability, not of the Province, but of the Government, to raise enough revenue to make good the money they guarantee in the event they have to. If the proposition looks sound and it is likely the Province will never be called upon to guarantee, it would be easy and it could be voted on on its merit, but anything a little speculative the people would need the Government guarantee the credit of the Province.

This chain reaction can go on from industry to industry, there is no limit. The Premier is now trying to get the thin edge of the wedge in, there is no limit to this though they are actually two or three, we have gone along already. The outbreak of a third

world war would stop it immediately because the machinery and equipment could not be brought across the Atlantic. The fact that we could have all the industries they got over there would be limited and that is difficult to imagine. If it should happen that the credit of the Province was exhausted and people would no longer be able to obtain a guarantee, because we would no longer be able to make guarantees and that would be the limit—there is no limit, a point I have made several times whether anyone pays any attention or not. I am going to repeat something I said before in connection with Corner Brook guarantee. There is no parallel between the guarantees we are making now and the one the House was asked to make regarding Corner Brook a good many years ago. Not only are there all those differences but the honourable member for Ferryland has mentioned them and I won't repeat them to save time. But there are one or two differences I have mentioned before: We were a dominion, holding control of all our own resources of taxation. It was possible for our Government to lose money on an industry subsidized or guaranteed and still reimburse themselves and do a little better than reimburse themselves from the taxation on that industry and on the people working in it. It was said here in the House once, or said somewhere, that surely we would all be willing to borrow five million dollars to put five hundred men to work or ten million to put a thousand, we were showing a labour shortage after a while. But in the meantime that is on the basis of so many thousand dollars we are willing to borrow to put one man to work. Let us assume we would all be willing, we would be willing, yes as a Dominion, but not willing as a

Province. The reason why is simple when we come to think of it. If we are to borrow ten millions, it is not the point under discussion but will illustrate the weakness as a Province, a lot of strength has been acquired, a lot of new strength but we have at least one aspect of weakness. Let us borrow ten thousand dollars and put one man to work, the man works and first of all that is good, but this does not create any money, what do we get off him, he does not earn dollars enough to pay back the loan. Ten thousand dollars and he is at work. There is at least three hundred a year interest on the ten thousand, at least two hundred dollars to set it up, a sinking fund, against the time when we must pay it back, the loan is at least six hundred dollars a year which we have to get out of him or someone else if it is going to be a sound business proposition. How much must a man earn in order to pay tax, he pays five to six times to Ottawa as we have legal means of getting out of him. That is another big difference between the guarantees we are asked to make today and the one in Corner Brook.

Now, are they sound? Is this industry sound, the one we are being asked to discuss now? If it is I don't care if all the industries in Germany come over and start and lose their shirt, all those big names if they come over here and lose their shirt and give employment to our people, I would not be concerned and in fact it is none of my business whether they are sound or not if we are not being asked to raise two and a half millions and probably five millions and probably two or three hundred millions yet because twenty-five million is going into this one industry before it is finished.

One bird in the pie and there are twenty-five of them. But since we are being asked to get involved in the thing financially, to raise the amount, the next generation will have to pay and I want to know are they sound. Now, are they? I don't know off-hand. Now, if I were to say some were and some were not, it would be quite a coincidence if they were all unsound. But I do not know whether they are or not. Well, supposing some are and some are not. I have heard quite a few honourable members say in this House that the Government was doing right, instead of sitting on the surplus and doing nothing with it, doing a much better thing by taking it and risking it. One honourable member went so far as to say, even if we lose some. Well and good, it is profit and loss, I agree with him a hundred per cent. No one ever said I wanted to sit on it and do nothing, but between the choice of sitting on it and doing nothing and investing it speculatively, losing some, I would take the second course. But there is a third course which no honourable member mentioned. They always mentioned the two choices, but the third one: Spend it by all means but take every reasonable precaution to see that it will be spent and not lost.

Well, what do we know about this industry? What are the facts we have? Not many. The facts have been given by the mover and the facts that we find in the Bill itself. I read that and I listened very carefully, read what is in the Bill and tried to use my own judgment. I can talk aloud for a minute about what I see, what I think of the project and all the others. What evidence have we that the project is sound? Well, Sir, these industrialists are willing to pick up their machinery and come over here

and set it up here providing we will provide them with dollars, lend them the dollars. First that is not very important, it would be if we failed to get the bond issue floated, at this stage there is no trouble I imagine. Set them up in business again if successful and the industry pays and we won't lose anything by it, we will all be very, very glad. That they have faith in it, is that evidence it is sound? I tried to show the other day that there are so many other reasons why they want to come over here besides a sound business reason. Sir, fortunately I have never watched refugees trotting down roads. I have seen movie pictures, newspaper pictures and I have read stories told by thousands and have seen them, a man with a bundle on his arm or over his back of all the few possessions he can save or in a wheel-barrow hurrying ahead of machine guns, bombs, etc. He has no economics in his mind at all when he is moving. Now then knowing such a panic, if they have any sense at all they will move out before that time comes but it is the refugee industry. That does not prove it is not sound, but it does not prove that it is. It does not give me any evidence whatsoever that they are sound and therefore worthy of our guarantee to them. Now, how can we know? That is all I know yet, whatever else there is about it, it has not been shown me and I feel exactly the same way as the honourable gentleman on my left. What do we know? What can we find out? I want to find out more, I want some one to find out more now, not only as a member of this House; long after I have lost my vote here as a member I will be a citizen and my children will be. In the Speech from the Throne, Sir, it was said, and I believe it, that Dr. Seigheim, when he wanted to start an in-

dustry and had no dollars his Government were willing to make dollars available to him. Now, they are short of dollars over there, but they are willing to make dollars available to him to come over here and pay Newfoundlanders to cut wood. There is a string attached to it. Before the dollar capital could be released there would have to be an examination of the practical prospects of success of the operation in Labrador. These fellows are careful about their dollars. So should we be. We should make an examination into the practical prospects of every operation before we release or guarantee a single dollar.

Why can't these fellows get dollars from their own governments? I know there is an answer to that. I am going to answer myself in a minute and then reply to the answer given by myself. Dr. Seigheim was trying to bring an industry, to bring wealth back to his own country so that his government might be more inclined to make dollars available to him, they would have to make dollars available to send out of the country these industries. After all why bribe them to leave, after all it is bad enough when they leave anyway. All right, probably then even though Dr. Seigheim could get dollars these people could not get any even if the industry were sound because it would be a loss to West Germany or wherever they come from and a gain to us, if a loss to West Germany is a gain to us, if decreasing the good economy of West Germany is increasing the good economy of Canada. All right, it is very logical that they won't release any dollars over there. Why should not Ottawa release some over here, there is no trouble getting machinery out, if it were a case of not being able to get machinery, it should be no trouble to get Ottawa to convert

it, but Canada apparently gets all the machinery they want and it is only a matter of converting it into dollars. Has the Federal Government been asked if dollars could be made available? They would not faint if we put it to them, it is not new, they are making millions of dollars available this year to assist Europeans who have not a dollar to their name to buy Newfoundland codfish. If we ask them maybe they would do it, they are going to get most of the revenue, we are not. If they have not been asked I wish they would be. Maybe they would do it, but I think they too would want an examination of the practical prospects of the operations. Would we welcome that? I would welcome it from Ottawa with the greatest experts they could get, if not civil servants, get them from the trade and industries to come down here and examine those for us. Now I won't even comment, because the Premier said he wished he had not even mentioned that the Honourable Mr. Howe could get them orders but if that were so there is all the more reasons why they should make a few dollars available. Have they been asked, if they have, what is the result? Getting back to my little analogy about the pie with the black birds. We want to look out for those black birds. To get back to that pie all I ask the Government to do is to give me some salt to shake over my piece. It is here now, my plateful is before me but I want some salt. Please pass the salt. There is not any on the table, I don't see any so I say send and get it, send Jeeves out to the pantry to get it, if there is none there should be by this time. Send him. There is a ship load of salt on the way here next week or the week after. Ripley, I am not sneering at him, he is one of the greatest financial men in the

world with a party of experts going around to look at possible new industries. Get him to look at this one and if he says it is sound don't let him go yet, ask him a question and if his engineer says it is sound I say now you won't need, surely to guarantee every cents worth of the bonds. Look, you are not afraid are you? I am not, I am interested in seeing industries coming in to the country. Why fear expert advice, the worst that can happen they could turn the whole lot down and say they are all unsound, are we not better off? I think this Government could stand on its record for three new industries they have already about to start. If they would concentrate on these three and make them a successful achievement, the Government could be proud of the cement mill and the gypsum and birch industry if all the others were turned down by experts who said they were no good and I say that is very unlikely; I don't know if any would be turned down, I know nothing about them, supposing only ten percent were approved and instead of thirty new industries in the next five years we only had three and instead of two hundred thousand people employed we only had twenty thousand. Think of what it would mean to have twenty thousand gainfully employed, Sir, the people we have here now in Newfoundland who are wondering where they are going to get a living, so much needed as we all know. I paint two pictures, supposing the experts found ninety percent nonsense and the other ten okay, would it not be better to have that ten percent with twenty thousand people gainfully employed in industries that would not be costing the rest of the taxpayers any money by floating guarantees for too many of them and none of them sound or what was sound being more

than offset by the bigger lot that was not. Suppose they are all sound, and I hope they are, and some of those impartial experts investigating will say they are sound, why that will be the best of all. Now until I get, and I may never get, information of that kind I am going to stick my neck out and say they are cock-eyed when Harriman-Ripley won't sell the bonds without a full guarantee and Ottawa as far as I know has not been asked, and would not as far as I know if asked convert a cent, they will convert millions for codfish, but not a cent. I say that hoping I am wrong and you may ask, you may wonder what kind of a fool will I turn out if all this is correct and I knew I was wrong all the time. I will tell you, take an extreme case. I will state if the honourable Premier or any other honourable gentleman will stand up today and say, look, we have a proposition, talk to them if they come, don't hedge because they are from West Germany, give them twenty, thirty, forty millions in just one toss, one last mad toss and I will be here praying. Once we have the toss what is the use of saying how foolish, but without the information I am being asked to do something just as foolish, just speculative. Now, Sir, I don't know, I am not willing to have people think, honourable members think I am digging my heels in, but if I see proof brought before me I would gladly go and look for it if I knew where. I don't want anyone to shake the salt when it is brought in, I will reach out and say "thank you" I am as anxious to get this information as anyone possibly could be but without it I cannot support the Bill, I cannot vote against it either. I just don't know enough about it one way or the other and I am not going to go into the record as having opposed this



Bill, still I can't say I can vote for it. I am going to move an amendment, or rather I won't, Mr. Speaker, I have not taken up all my time yet have I? Since I have some time left I have no particular use for at the moment and don't know enough to talk about the Bill at the moment but since I have some time left I move the adjournment of the debate until such time as expert, impartial evidence is brought before the House, sufficient to give honourable members an opportunity for a reasonable decision.

MR. HIGGINS: Mr. Speaker, considering the importance of this Bill—

MR. SPEAKER: Let me for the benefit of the honourable member himself: There is an amendment that the debate be adjourned at this state. I shall have to consider that amendment. Now, if it is the honourable member's intention to speak in seconding that amendment and if it be put and lost, then the honourable member will not be able to speak further in this debate. I say that because it is the duty of the Chair to protect minorities.

MR. HIGGINS: I am quite satisfied, Mr. Speaker, and as I was saying, taking into account the large amount of money this country will be liable for I don't care if contingent or otherwise there is a liability and I am amazed at the paltry information given to us by the honourable Prime Minister, I say it is an insult to our intelligence on this side of the House and all members to be asked to vote on a matter of this kind without any information except certain facts supplied by the Prime Minister without any documents. The only information given to us is that a number of Germans, who in the mind of the Prime Minister are sound men of wealth be-

cause he dined at their houses and he saw millions of dollars worth of paintings, are willing to come out to this country and start new ventures by means of guarantees to be put up by the Government. Some of them own factories, I don't know if one or more. And the Prime Minister mentioned some gentleman known to hundreds of millions of people, I thought he was referring to Hitler, who he is I don't know whether someone in politics or not, I don't know, I cannot tell. Now, he tried to impress us with the vast amount of money these people had, in marks, which as far as this side of the world is concerned, are entirely useless. Now there was a plan shown around here for people to look at. That plan was shown to me. I could not look at it intelligently, I saw a plan of what? A factory. When the whole question comes up to us we do not want to see the plan but want to know what is going to happen with that plan. Anyway these Germans are coming here. They are bringing their machinery for factories with them, a company is to be formed and apparently the original shareholders, I judge, they will sell their machinery to this country in return for two and a half million dollars in shares. Now, there is mentioned in this Act an amount of four million dollars, they agree to put up a building for construction of machinery and machine tools which costs not less than four million dollars. Is it they are to do all that and go to the public and get another two and a half million? We are not told that, we are not told here in the Act. Now we have to assume that machinery brought out here and put in that factory is new.

MR. SMALLWOOD: Brand new.

MR. HIGGINS: We have no proof of that.

MR. SMALLWOOD: You have my word for that.

MR. HIGGINS: We have to take your word for everything.

MR. CASHIN: You have no proper authority to say it is worth the money.

MR. HIGGINS: The Premier says it is all new. I say we should have proof, the House should know what is the value of all the machinery coming over here, is it all necessary? We must have that information and I hold to what I have said: Until I have proof and the mere survey of any Minister or the Premier is not enough. What does he know about machinery? What do I know? Nothing. Now another thing: Who is paying for bringing out this machinery? Is it to form part of the two and a half million dollars? We don't know that even. We cannot tell anything at all about this machinery except we are told it is new. That is the only information before the House now and that is the information given by the Premier, not by an expert of machinery and we cannot tell the real value. Now, if the Premier were an ordinary salesman and wanted to sell such a proposition to a financier would the financier be satisfied with the information given here? The financier would say: "Yes, I understand you have a factory, you have machinery installed. What is the value of that machinery and the value of the whole plant?" You come to him and say: I am ready to run this now, would you give me some money, first of all probably to install the machinery and to open the plant and secondly to allow me to run the factory. He would want to know how you are going to run the factory, what you are going to make, how much the com-

modities cost, what about the market, what about all the multifarious articles, can you find a market for them? If you can tell me where it is, what price you are going to sell for and why you are so sure you are going to sell to any other countries? Will they take these articles and what is the competitive price paid in other countries? If you have a surplus will you sell it in your own country or sell it abroad? We have been told nothing. There is no report as to the value of the machinery and the plant or if there is a prospect of making any money, showing the cost of the commodities. I would be a fool entirely to vote any money with the information you have given. Now, where are the financial reports of the people you represent? Let me have them. Now this is the picture here, these gentlemen come to this House here, the members of which are the financiers, very immature probably and amateurish financiers probably but we represent Newfoundland, we have the money and these people should give us this proposition in the proper light. They should deal with us in the same manner in which a salesman would deal with financiers whom he approached on behalf of somebody else to advance money on a business proposition. I believe if the Government started out financing loans they should know exactly where they are, and limit the amount of the money. The man who has some money and advances money knows where he has to stop but the man who advances by guarantees in the modern form, the promissory note, may find himself pretty badly off after a time by making himself liable under note for a larger amount of money than he possesses and I am afraid many a man has gone under by doing that very thing. There is a limit to money, none to a guarantee and I

would sooner see the Government give a loan than guarantee one. Now, it is all right for the Premier to give a picture of the importance of these men but I want information as to their standing in the financial world and if, finally, Harriman-Ripley and Wood Gundy can give a report, let us have them.

Now there has been a lot of talk about the Seigheim deal. No harm has been done, it is said, because we have advanced no money. No, but the country has been deluded and this House hooked and it is very undignified to have this House hooked. Now, let us not forget the very salient point that business and factories have sprung up in this country and failed and we have a history of failure of many industries in various parts of Newfoundland and there is no reason why some of these industries won't fail. There is no little angel aloft to look after them like the one who looked after poor Jack, we have to take care of them. Now, we hear a lot about the building of Corner Brook being blocked, how when it came in here there was an uproar. It was a wonderful thing and gave employment to thousands of people, sure it is good and better now than ever it was but thank God it was not Government money that guaranteed or started the whole forty-eight millions spent on it, if the Government had advanced that money where would we be now? There for years that company had to be reorganized and with a big loss of money and a new interest had to take over and for years it never paid not until the war started, and if the Government had to pay the interest on a loan of forty-nine million dollars this country would have been burst. Now that is a case of a company not prospering only by

change, but if the Government had guaranteed it, the Government in spite of prosperity now, the country would be burst and we would have had to pay interest all these years. Now it is well enough to talk about expanding and talking about fifty-eight hundred blue prints, it is just as well to talk about fifty-eight thousand technical books, what good are they by themselves? Such talk as that only provides a smoke screen.

Now, it has been mentioned that this factory here will manufacture commodities for other factories. Well now, are all the factories to be interdependent on one another, are they to be all managed by the same directors or the same capital and are the same people behind them all?

MR. SMALLWOOD: No.

MR. HIGGINS: We don't know that. We have not been told. Now, there is the bond issue, if they can't raise the loan the Government will still have to supply the money.

MR. SMALLWOOD: I think it is in the Bill.

MR. HIGGINS: "The Company agrees to repay any Government or Government guaranteed loan as soon as the Company shall have succeeded with or without Government assistance in negotiating a commercial bank loan or the sale of its bonds and in any event within ten years from the date of any such loan." It has ten years to pay.

MR. SPEAKER: If I call it six o'clock I will leave the Chair and the debate will be automatically terminated with adjournment. Has the House decided to sit this evening, if not, I will make a motion to adjourn the House.

MR. SMALLWOOD: It is not proposed to have the adjournment of the House but merely a long recess at six and we can resume at eight o'clock, in which case the debate will continue because it is my intention to take part in it tonight.

Recess until eight o'clock.

#### NIGHT SESSION

MR. HIGGINS: The honourable the Prime Minister told us that these gentlemen coming from Germany were worried by the future situation, afraid of Russia and that the time would come when they would come in and take over their factories. What is the implication there, to bring the factories out here? What is the good of having them if they are afraid Russia will come in and take them? He also told us that this talk of coming to Newfoundland by these foreigners is causing great attention in the United States and Canada. While I am sympathetic to the idea I think it is time the people of this country pay more attention to their public expenditure; it is not ours but the money of the people of Newfoundland. Now, there is too much talk of such policy advocated in this House. The public should learn what is happening to their own money, the press and the radio should be able to tell all, and it is time we realized that truth is never hurt by exposure. Now, in this particular matter we are discussing there is only one amount of money involved and that is the sum of two million five hundred thousand dollars. We don't know if the House will be called upon to pay any further amounts than this. If the business is to expand such an enormous amount, to employ more than five thousand people or as intimated more than all employed in Corner Brook, Grand Falls and St.

Lawrence, where is the money to come from? Now, there is another Act, the Cotton Mills Limited, and that Act asks that this House allow the Government to make a loan or guarantee to the company in the amount of two million dollars.

MR. SPEAKER: Will the honourable member permit me to refresh his memory? It is not particularly correct to refer to a piece of business about to come before the House.

MR. HIGGINS: Well, Mr. Speaker, I will put it this way. We have been told that there are to be fifteen industries started in this country and I presume there will be guarantees made in connection with them and the House will be called upon to pass certain Acts dealing with the loan and we know this one is two and a half million dollars to be guaranteed or loaned and we must presume that in the case of the other fourteen, enormous amounts of money are to be loaned altogether. Now, besides all these fifteen we have a cement, gypsum and birch mill and we have already lost practically half a million in the Icelandic venture which was heralded just as much at the time as these enterprises are being heralded. Now, there is another thought from the standpoint of the country, the business is protected from the standpoint of the financiers and shareholders, but where is the protection here, who will look after the country, have you sufficient experts to look after and know about cement, birch, steel, one special man with first hand knowledge of each and every one? Are we going to have Dr. Valdmanis look after all these? Has he got comprehensive knowledge of all these matters to come before the board with these enterprises? Or who is going to see that the country is protected, with ex-

perts, engineers, accountants, everybody of that kind to look after these big industries which come overnight, and industrial corporations and factories spring up giving us a wonderful new industrial country. Considering the size of the country it may be the finest in the world if those things come to pass. Now, have we so much we can put all our eggs in one basket of industry and mortgage our future at one fell swoop, fifteen new industries without finding one has succeeded, only one has been started and that has failed, the Icelandic venture. As was said before the Prime Minister has approached this matter with the same enthusiasm as he approached the Icelandic venture and when the Icelandic venture failed all he said was, we tried, we did our best, we had good intentions. We will have the same answer if these fail but will the country be saved because of good intentions? Now, we in this House are going to be asked to consider this thing and naturally a statement should be put before us. In three years five thousand people will be working in this factory and eventually, as I said before, there will be enough men employed there to outbalance the crowd of workmen in Corner Brook, Grand Falls and St. Lawrence. Well, now, after all, when we consider the amount of money spent in Grand Falls and Corner Brook, which amounted to one hundred million dollars, we wonder how far this factory is going and what effect it will have on the economy of Newfoundland. I regret to say that until I am notified as to how this factory is to be built, the cost of the various commodities to be made, the cost of the commodities and what they are to be sold for and to what markets, I cannot conscientiously support the Bill, but I shall support the amendment, I require full information, that

is information from experts. I want somebody else besides the Prime Minister to come in and tell me all about these mills, these industries to come up because after all, how can he in three weeks learn all about these fifteen industries. He could take and spend all that time to enquire into one and only scratch the surface. Therefore, Mr. Speaker, I must say I cannot support the Bill but I shall support the amendment.

MR. SMALLWOOD: Mr. Speaker, I propose with your indulgence to confine my remarks on the motion and the amendment to one speech. I think I can say in that one speech what I have to say and save the time of the House.

Now, the first point I wish to make is that this factory is now in the course of construction, and it has been for some two weeks past. I drove past there on Topsail Road yesterday on my way to Carbonear to see another industry now in the course of construction, namely, the great new tannery being built at Carbonear and I was struck by the fact as I drove past Donovan's to note that the assembly line of bulldozers was busy at work even yesterday. That fact, by the way, is just a little startling to us God-fearing Newfoundlanders to see the construction proceeding energetically even on the Sabbath though not as startling as it would have been six or eight years ago before the war began and that vast programme of defense construction was carried on in this land.

The construction of this great new industry is now proceeding, a great space has been cleared out of the forest, the trees have been cut down, the bulldozers have removed the stumps and for a week past have been removing the top soil and getting down to

hard rock. During the present week the foundations will be excavated and the concrete walls laid down. That is in respect of the first great factory building. Then while the land has been cleared, the excavations completed the concrete foundations poured for a fairly large building only some fifty odd men are as yet employed because the job is at that stage still where a large number of men are not required but soon they will be taken on and I would anticipate that even with the impressive efficiency with which this construction job is proceeding quite a large number of men will be needed as soon as the foundations are poured. I ask the House to take due note of the fact that this great plant is not something for the future but that it has actually begun while we are here today debating the matter.

Now, the next point to which I invite the attention of the House is the fact that we are dealing here with very important people. My honourable friend the Leader of the Opposition saw fit this afternoon to remind the House of one of a number of statements I made in my speech the other day, one statement being merely an aside, that I uttered in the course of my remarks when I commented on the fact that the owner is sole owner of this Canadian Machinery Company being also the sole owner of a vast industrial enterprise on the Continent of Europe. I spoke of the kind of house in which he dwelt, a castle, which it was and the fact that the house holds three-quarters of a million dollars' worth of famous paintings and tapestries shows the man is indeed quite obviously a very wealthy individual. But I would not have the House suppose that the only evidence the Government has of that

gentleman's great wealth, the house he lives in and the famous paintings that adorn his walls. I might have added that he has in that castle the world's second largest collection of carved Chinese ivory, said to be worth half a million dollars. Do not imagine that what I did mention was said merely in passing. We have far more impressive evidence of the wealth of this man than merely the house in which he lived for a matter of a month or so a year, this is his country house. He has a vast factory he owns which we visited, he has four of them, we visited only one. Twelve thousand men are employed by him in these great factories. In the one visited last year by my honourable friend the Minister of Health and I together with Senator Quinton, and visited a few weeks ago by my honourable friend the Attorney General and I, there are five thousand men at work. These are important people with great skill in industry, with great skill in commerce, as proved by the fact that their engineers travel to most of the countries of the world on all five continents supervising and investigating the installations of the industrial machinery manufactured in Europe by that Company. They have in Ireland, in England, in France, Belgium, Holland, Denmark, Spain Portugal, Italy, Yugoslavia, Turkey, Greece and several countries of the Mediterranean, India, China and Japan, Australia, New Zealand, South Africa, and countries in South America today, their machinery in operation, manufactured by them in their plant in Europe. A great company with world-wide markets, a great company with many years' experience in selling their products around the world in open competition, with all the other machine manufacturing firms of the world. We are dealing in this matter with people of

great industrial, commercial and financial importance.

Now, as to their products in this plant. They will make flour mills, feed mills, and equipment for such mills. They are described by the American Miller, which is the great author of the great milling trade of the United States, as being the world's greatest manufacturer of flour and feed mills and equipment—flour and feed mills and all kinds of crushing machinery and grinding machinery, rocks, metals. They make all kinds of conveyors and systems for grains of all kinds, for coal, for oil, for water, conveyor systems for factories, mills, mines of all kinds. Their conveyors are now used in most of the countries of the world. They manufacture diamond drills used to drill for oil and for minerals and for rock and for water. All these things and many others they will manufacture in their great plant in Newfoundland. I realize that we Newfoundlanders have been battered and burned so much and so many times in the past that most of us find it hard, just a little difficult, to believe that old Newfoundland should be the home of one of the greatest industrial plants of the world. We in Newfoundland have had so many failures, so many of our hopes blasted, that it is no wonder that there are members probably in this very Chamber who find great difficulty in taking this great enterprise with utter seriousness.

Where will they sell their products? They will certainly not lose their skill by coming to Newfoundland.

MR. CASHIN: Is he quitting Germany altogether?

MR. SMALLWOOD: No. I have not said it is Germany but Europe. No one can quote me as saying he is

from Germany, newspapers nor the radio cannot quote me as saying he is from Germany.

MR. FOGWILL: Where is he from?

MR. SMALLWOOD: From the Continent of Europe.

My honourable friend is just as anxious as I am assuredly to foster Newfoundland's welfare.

MR. FOGWILL: Yes.

MR. SMALLWOOD: And perhaps he would agree not to pursue the question as to the particular country this company comes from so long as I can assure him, as I do, that it is this side of the Iron Curtain.

They will not lose their skill by building a branch factory in Newfoundland, hence it is a fair assumption that their product will be as good when manufactured in Newfoundland as when it is manufactured where they are presently made. Now what about markets? For one year past this company has been conducting a very close examination of the Canadian markets. It has been aware of this gigantic boom which Canada has been experiencing for many years past. Four years ago, the G.N.P. of Canada was twelve thousand million dollars, gross, national product, three years ago it was fifteen thousand million dollars, two years ago it was sixteen billions and for this year the forecast was seventeen billions. It will be twenty and a half billion dollars for the current year, 1951.

MR. CASHIN: Wait until this crowd gets going.

MR. RUSSELL: Their dollars are not worth much.

MR. SMALLWOOD: The inflation of the dollar accounts in part but only in part for that. It may be remembered that in the last four years the per capita increase of new capital in Canada has been much greater than in the United States. The per capita today, the per head investment of capital, productive, capital has been far higher in Canada in each of those four years than in the United States. Canada is experiencing a gigantic boom. If the value of that machinery produced in Canada runs annually into hundreds of millions of dollars; the value of the importation of machinery into Canada runs into many scores of millions of dollars a year. So that Canada alone becomes at once a great and profitable market for the product of this Newfoundland plant. The people who own this company will manufacture with great skill an article that will stand up in competition with the articles of the same kind of any other plant in the world. What then is the draw-back in the successful marketing of their products in Canada? The distance by which this plant is removed from the principal consuming markets of Canada? How is that distance to be bridged? By water, by water haul, the cheapest freight in the world. So that the distance, a mere physical distance between St. John's and Montreal or Toronto or Hamilton or Kitchener becomes insignificant. What then are the disadvantages for such a plant operating in Newfoundland, given the skill, given a modern, up-to-date, efficient plant, given the complete know-how which we must assume, what are the disadvantages of Newfoundland in the establishment of such a great new industry? And the answer is none except perhaps the century-old inferiority complex that

bedevils Newfoundlanders every one of us, every one of us.

Now, I can assure the House that the machinery going into this plant is guaranteed brand new, lately new, some of it now being made, never used before. And it will be here, all of it, not later than the 31 December, 1951. That machinery is worth cash obviously.

MR. CASHIN: How much?

MR. SMALLWOOD: Two and a half million dollars of that machinery, structural steel and other material and equipment of a physical character that you can weigh and measure and feel, two and a half million dollars. The whole plant finally will be four million and one million of working capital which makes the five million. We are lending half of that, two and a half million dollars.

MR. CASHIN: We are paying for their machinery in other words.

MR. SMALLWOOD: We lend them money for this purpose to pay the duty on it, the machinery, material and equipment to the Government of Canada, the Federal Duties, customs, import duties, to unload the ships, to freight the values to the site of the plant, to erect the plant and employ the labour to install the machinery, to buy raw material and pay wages for their staff. That is two and a half million dollars.

What do they risk? They do risk, and what do they risk?

MR. CASHIN: They are running away from Joe Stalin as far as I can hear.

MR. SMALLWOOD: They are not running away, that is exactly what they are not doing, they remain in



Europe where this man has vast plants and establish here in Canada and to them Newfoundland is Canada, to them the establishment of a plant in St. John's is the establishment of a plant in Canada and legally, geographically, constitutionally, in matters of tariffs and trade we are Canada, there is no doubt of that. What do they risk? They have to give us a mortgage on everything on the whole of the four million dollars worth, the land, the buildings, the machinery, as security. Before we can lose a dollar they must lose their all in Newfoundland.

MR. CASHIN: Their equipment.

MR. SMALLWOOD: They must lose all they have in Newfoundland before Newfoundland can lose a dollar. So they take their risk too. My honourable and learned friend the Leader of the Opposition raised, as did also the honourable and gallant member for Ferryland, as did also I believe, my honourable friend the member for Bonavista South, the question of how would the Government know the value of the machinery, structural steel and equipment. that this company will bring to this site at Donovan's? It is a good question. But surely—

MR. RUSSELL: I don't think I asked that.

MR. SMALLWOOD: Probably my honourable friend will be glad in a moment he did not because—

MR. CASHIN: I don't find myself very grieved over it.

MR. SMALLWOOD: It is a good question, one not covered in the presentation and they were in duty bound to ask. I do hope, however, that they did not suppose for a moment that

the Government had lost sight of that point, that the Government are so simple, so naive as to be willing to launch out a guarantee of two and a half million dollars to a company against an equal value in material to be brought here by the company without having in its own mind clear cut ideas as to how they should proceed to make sure that when it does come here it is worth two and a half million dollars. As a matter of fact we were obliged first of all to consider that matter in connection with the cement mill. The House will remember, and I cite this, Mr. Speaker, not by way of being out of order but merely for the purpose of illustrating the point with which I am now dealing, raised by my honourable friend the Leader of the Opposition. The House will remember in our contract with MIAG for the building of machinery and other equipment for this great plant at Humbermouth, and the installation of that mill, it is provided that that company MIAG, must operate the mill for one month upon completion and that it will be taken over by the Government, taken possession of by the Government only when the Government is satisfied that they have been delivered by MIAG with a first class cement mill. Now, my honourable and learned friend the Minister of Public Welfare would be the last, I am sure in this Chamber, to claim that he is competent to go and look at that cement mill and pass judgment as to whether or not MIAG delivered us a first-class mill. Would my honourable friend across claim he is competent to look at that cement mill and say it looks to me as if they have lived up to specifications? Does the House suppose that this Government is so simple, this Government which has accomplished more in the past three years than any other five

in Newfoundland history, any six governments, I will raise it and make it seven, as not to require sound work?

MR. HIGGINS: You will run short of governments.

MR. SMALLWOOD: We might just as well make it blanket and say all the governments of the past put together in Newfoundland, we would not be far from the truth. Does the House suppose we are so simple that we had not made provisions for examining the cement mill and the same procedure devised by us to enable us to satisfy ourselves that we had a first class cement mill will be used to enable us to satisfy ourselves that they do deliver two and a half million dollars worth of machinery, material and equipment, and in other plants in other contracts that are to come before the House. Now, I will explain that procedure as one of my honourable and gallant friend's desires.

MR. CASHIN: Have you paid for all of the cement plant over there now?

MR. SMALLWOOD: No. Here is the procedure: to engage a firm of construction engineers, an American firm, not a European firm, an American firm of consulting engineers who can put men on the spot with great experience in technical machinery, experience to examine the machinery material and equipment, and pass final judgment on its value. That is the procedure decided on for the cement, gypsum mill and to be followed in each case to enable us to determine whether in this Canada Machinery Company and others, to insure the owners of the companies are fulfilling their agreement with regard to the matter raised by the two

gentlemen opposite in their speeches here.

MR. CASHIN: How do you get your money back if it is not?

MR. SMALLWOOD: That is when we advance the money, if you will take the trouble to look at the Bill. Advance it only in proportion as they put their investment on the spot in Newfoundland. We won't advance two and a half million dollars and then wait for them to put their value here, but, if and when they place it here then we advance them the amount or the credit guaranteed there.

MR. CASHIN: And you have to float a bond issue.

MR. SMALLWOOD: The whole plant will be here by the end of December, all the structural steel, the material and all the machinery that will all be here.

MR. CASHIN: Will it be in operation?

MR. SMALLWOOD: They can't be in operation. They are aiming for the first of July, 1952, that is when they are aiming to be in operation. Now where is the capital to come from to finance the expansion of this factory? Must that too come from the Government of Newfoundland by way of a dollar for dollar loan or credit? The answer is, no. It is the intention of each one of these European concerns to be established as branch factories in Newfoundland, and to apply their profits back into the plant with a view to as rapid expansion and development as they are capable of producing with the obvious purpose of building for themselves in the new world independent enterprises which should Uncle Joe, Skipper Joe—if he were in Newfoundland he would

be spoken of as Skipper Joe, or as the rest of the world speaks of him as Uncle Joe or Big Joe, against the day when perhaps Uncle Joe will begin to cut up rough. There are no signs that we can detect of any immediate rush in to Newfoundland and if the House supposes that it was easy to induce these companies to come to Newfoundland, even when we are prepared to match their investment dollar for dollar, the House would be mistaken. It has not been easy. Remember that these gentlemen in Europe look upon us as foreigners as we of course look upon them. The story is told of the Cockney Englishman who visited Berlin some years ago, before the war, and said to his buddy, Bert: "Ain't it a wonderful city?" And Bert said: "Yes, but for all of those foreigners." As they are foreigners to us we are to them and it is quite something for them to decide to make the plunge to move a plant into Newfoundland and they did it only after careful study of the Canadian market as a beginning but their studies did not end with the Canadian market alone. Every one of these companies in Europe whom we have interested in coming to Newfoundland, every one of them with two exceptions, and these are quite small companies, one employing about one hundred and fifty men. We have come to the point where we regard an industry employing one hundred and fifty men as peanuts, small stuff, trifling. With two exceptions all of these companies are concerns who presently sell their products all around the world. I will give the House one example:

MR. CASHIN: Are there any in the dollar area?

MR. SMALLWOOD: That includes the dollar area. I will give the

House an example: One of the companies coming here to establish an industry is a boot and shoe manufacturing company. They have four big plants. The Attorney General and I went through one of them, not the four. A magnificent plant, I have been in shoe factories in Newfoundland and the United States and in parts of Canada near Montreal and I say, on the basis of what I remember of those other plants, the plant of this company is a magnificent, modern and efficient plant. I think my honourable friend would confirm that; it is a family company and its shareholders are all members of the one family for a hundred years. For a hundred years that family has been manufacturing boots and shoes principally shoes and ski boots and you can go into any large store anywhere in Canada today or the United States today and find that company's ski boots on sale because they are the finest ski boots made in this world today. Now then they can manufacture these ski boots just as efficiently in Newfoundland as they can on the Continent of Europe. They have had great experience in actual markets on this side of the Atlantic, in Canada and the United States for many years past. Still another of the companies, an English one, in England has for many years past sold their product to Eatons, Simpsons, Ogilvies, Morgans, in the United States to Maceys, Bloomingdales, Gimbel's, Montgomery Ward. They sell their products in every Province of Canada and every State of America and up to the outbreak of the World War they sold products here in Newfoundland through their distributors, the firm of Bowring Brothers Limited.

MR. RUSSELL: The thing that disturbs me is why should a firm like

that want us to guarantee every cent's worth of bonds they issue?

MR. SMALLWOOD: I would gladly address myself to that. A company to sell bonds on the market must have a record of earnings. That is clear. My honourable and gallant friend agrees that is so. A company to sell its bonds on the market must have a record of earnings. These companies will have no record of earnings because they are all, without exception, new companies. The Canadian Machinery Company, The Newfoundland Tannery, William Dorn Limited, United Cotton Mills Limited and all the others are brand new Canadian Companies formed in St. John's incorporated here with our Registrar of Companies and Deeds, with no earning records in the least, all being incorporated provincially.

MR. CASHIN: Not Federally at all?

MR. SMALLWOOD: Precious little if any virtue in incorporating Federally, surely all the advantages are to be gained in Provincially incorporated companies. So they have no record of earnings whatever, brand new companies and it would be absurd for them to go on the open market to try to market a quarter of a million worth of bonds, or three quarters of a million and a half or two millions worth of bonds. They can do it only if those bonds are guaranteed and guaranteed as we did the Newfoundland Power and Paper Company of Corner Brook in 1923 as to principal and interest. Otherwise we would not do it. We would not guarantee their bonds although I would have the House take note of this fact that Newfoundland is not the only Province that is guaranteeing the bonds of such European Companies coming to Canada. The Province of Manitoba does it and guar-

antees up to seventy-five per cent of the total investment. Now, I am not going to give away to the other Provinces of Canada the secret that we have in Newfoundland of getting those European industries, we have taken them away from Toronto, two companies who were just about set to locate in Toronto, brought to Toronto by the Government of that Province, by the Toronto Board of Trade, by a bank in Toronto to try to locate there, have been taken away from Toronto by me and brought here to St. John's. Now, I would not want that fact to be published, I doubt that any Newfoundlander would wish to print or broadcast anything that would hurt Newfoundland. We Newfoundlanders may differ as to what will or will not hurt Newfoundland but no Newfoundlander will take any chance consciously of damaging Newfoundland, this beloved little Island of ours.

MR. JACKMAN: May I ask a question, please? I would like to know as a labour man, with respect to all these new industries you are creating and I hope they are successful, but I raise this question from the point of view of labour. I would like to know what wages would be obtained in this certain area.

MR. SMALLWOOD: I am very happy to answer my honourable friend because that is exactly the question I would expect from him and I may say that was very much the question that was in my mind and I can say that without exception all of these European companies will not wait for the Trade Unions of Newfoundland to go to them to organize their staff, their personnel; already the Canadian Machinery Company Limited has talked with the Newfoundland Federation of Labour and invited

them to come and organize their staff. That has already been done and they will pay, of course, union wages all through. And I don't mind saying I myself invited all of them not to wait for the unions to go to them but to visit them, to go to them first and invite the unions to come in and organize them, and I am sure my honourable friend will accept that from me.

MR. JACKMAN: That is something we never had before but if we have that now, I would say it is one hundred percent on that question. That is as far as I can go, I don't know about other matters.

MR. SMALLWOOD: Now, I have just one or two points and then I am done. I have dealt with some things under these new industries and other things that I will summarize under defence. Newfoundland before the end of 1952 will be short of men. Defence will employ thousands of men in 1952, new industries will employ thousands of men in 1952 and before that year is over there will be a shortage of labour in Newfoundland; for the first time in our long tragic and glorious history there will be more jobs than people.

MR. JACKMAN: May I ask a question again? Are you going to pay prevailing rates in so far as organized labour in Newfoundland is concerned?

MR. SMALLWOOD: The wages in all those industries will be union wages. It is up to the unions not the Government, my honourable friend will agree with that.

Mr. Speaker, this party here to your left have their hand to the plow. They are going to develop Newfoundland. It is just as simple as that. We won't let the devil stop us,

we will let nothing stop us. Quite literally nothing will stop us, we are going to develop Newfoundland. This is a good beginning, these new industries here at Donovan's, in the District of Harbour Main-Bell Island. I may say we did not select that, it was not our selection.

MR. JACKMAN: I have no chance in the next election, I am finished.

MR. SMALLWOOD: Where these industries are established, where they are built, the Government has no say. These are commercial people and think of their balance sheet and paying back their loan and we dare not interfere as to where they decide to establish, here, there or elsewhere. They are building this particular one in the District of Harbour Main-Bell Island. That is their choice. I want that to be made quite clear and it is not a deep laid plot to get votes and defeat my honourable friend from Harbour Main-Bell Island.

MR. JACKMAN: I don't think it can be done anyhow.

MR. SMALLWOOD: We won't get into a fight on that.

MR. JACKMAN: Seventeen years in one job, you will not.

MR. SMALLWOOD: My honourable friend sat for two years here where the Attorney General sits now here beside me and we were two good friends, very close in our ideas about Newfoundland people and the fact that we thought they should get a break.

MR. JACKMAN: You are Confederate. I am Responsible Government.

MR. SMALLWOOD: He is just as much in his heart a Confederate as I am.

We are going to develop Newfoundland, Mr. Speaker, we are prepared anytime it suits anyone to put our fate to the test. As far as I am concerned, personally, I love the job, I love it to death, with all my heart and soul I love this job. I have it only for one reason, I am not afraid of work, but I don't love it. I am not a mule. I have enough brains I hope and imagination not to regard work as the object of life. I don't love work but I love the job for one reason only and when that reason ceases to be, count me out. As Sam Goldwin said; "Include me out," don't count me in, I don't want to be here. The moment that point is reached, any moment at all, we are prepared to pull out of office. We are not seat campers, we are not here for ourselves. If I had any real guts I would come into this House and ask to have the salaries increased. I can't live on mine, waiting for my next pay, overdrawn at the bank for two hundred dollars.

MR. JACKMAN: We raised ours last week.

MR. SMALLWOOD: Will you come over here and raise ours, form a union amongst us and see if we can get a bit more? We are not seat warmers, not a crowd interested in drawing down money. We are in power for one thing only, to develop Newfoundland to make it possible for any honest man, not sick in body or mind to get a job to work and above all to take at least ten thousand of our salt cod fishermen out of the fishery altogether, in Newfoundland and give them a chance to earn a good living with a good standard of living, educate their children, clothe their children, have nice homes and live as God intended every man and woman should live.

MR. SPEAKER: The question is that this Bill be now read a second time to which the honourable member for Bonavista South has offered the following amendment. The motion is that the word "now" do stand part of the question.

MR. SMALLWOOD: Mr. Speaker, those who wish to vote for the amendment will vote how in this now?

MR. SPEAKER: The question is that the word "now" do stand part of the question. Those voting aye will be opposing the amendment, those voting nay will be voting for the amendment. Is that clear?

Motion is lost.

Division:

Favour: Hon. the Premier, Hon. the Attorney General, Hon. the Minister of Public Welfare, Hon. the Minister of Health, Hon. Mr. Vardy, Hon. the Minister of Fisheries and Co-operatives, Hon. the Minister of Supply, Hon. the Minister of Provincial Affairs, Hon. the Minister of Education, Hon. the Minister of Labour, Mr. Morgan, Mr. Button, Mr. James Mr. Drover.

Against: Mr. Higgins, Mr. Fogwill, Mr. Jackman, Mr. Cashin, Mr. Russell.

MR. SPEAKER: Ayes have it, fifteen to five.

Ordered read a second time. Read a second time, ordered referred to a Committee of the Whole House on tomorrow.

MR. SMALLWOOD: I move that the remaining orders of the day be deferred and that the House at its rising do adjourn until tomorrow Tuesday, at 3:00 of the clock.

The House adjourned accordingly.

TUESDAY, October 30, 1951

The House opened at three of the clock.

#### Presenting Petitions

None.

HON. J. R. SMALLWOOD (Prime Minister): Mr. Speaker, Section 34 of the Social Security Assessment Act, 1949, requires tabling any regulations made before the Legislature. The tabling of the attached regulations, dated 31 October 1950, was inadvertently overlooked during the last session of the House. I now table two copies, one authenticated by proper signature.

#### Presenting Reports of Standing and Select Committees

None.

#### Giving Notice of Motions and Questions

MR. JOHN G. HIGGINS (Leader of the Opposition): Mr. Speaker, I give notice that I will on tomorrow ask the honourable the Premier:

No. (1) 4—Current Revenue from 1 April 51 to 30 September 51, excluding Payments from Federal Government:

Department	Amount
IV Finance .....	\$2,454,532
V Provincial Affairs .....	93,835
VI Education .....	94,345
VII Attorney General .....	23,634
VIII Natural Resources .....	457,349
IX Public Works .....	643,213
X Health .....	167,706
XI Public Welfare .....	36,987
XII Board of Liquor Control .....	850,000
XIII Supply .....	2,144
XIV Fisheries and Co-operatives .....	11,026
XV Economic Development .....	695
XVI Labour .....	6,029

\$4,851,504

1. Have Harriman & Ripley invested the \$100,000 agreed on in the Crown Corporation?

2. Has the Government invested the \$900,000 agreed on?

2. Has a meeting of the Crown Corporation or the directors thereof been held?

MR. SMALLWOOD: Mr. Speaker, I have the answers to some questions directed to me, number 39, by the honourable and gallant member for Ferryland:

(1) \$1,524,602.

(2) It cannot be broken down by districts.

(3) All collections of social security assessments are deposited to the credit of Newfoundland, Exchequer Account, Bank of Montreal. I may expand on that, this answer has been handed to me and was prepared by the Department. That sounds a little brusque and abrupt but the wording is to be taken literally, they cannot do this because they have not got it, it is not meant to be brusque.

NOTE: Figures subject to audit.

Questions 1 (6) to 1 (9): Expenditure 1/4/51 to 30/9/51 including amounts recoverable from the Federal Government:

Department	Amount	
	Current	Capital
I Consolidated Fund Service .....	\$ 130,764	\$ 68,736
II Legislative .....	40,311	.....
III Executive Council .....	21,093	.....
IV Finance .....	446,693	3,003
V Provincial Affairs .....	25,353	26,271
VI Education .....	2,487,173	330,849
VII Attorney General .....	557,305	.....
VIII Natural Resources .....	445,974	14,702
IX Public Works .....	1,715,809	2,820,072
X Health .....	2,232,770	235,509
XI Public Welfare .....	5,406,162	.....
XII Board of Liquor Control .....	80,046	.....
XIII Supply .....	213,167	154,408
XIV Fisheries and Co-operatives .....	203,713	38,539
XV Economic Development .....	75,512	4,723,957
XVI Labour .....	26,987	20,000
	<u>\$14,105,832</u>	<u>\$8,436,046</u>
Total Expenditure, 1/4/51 to 30/9/51 .....		\$22,540,878
Total Expenditure, 1/4/50 to 30/9/50 .....		15,313,473

NOTE: The above figures are subject to audit.

HON. JAMES J. SPRATT (Minister of Provincial Affairs): Mr. Speaker, I beg leave to lay on the table the answers to questions asked by the honourable member for Ferryland. I also have copies for distribution for members of the House. Question 29:

1. The total number of Apartment buildings administered by the Corporation.

Answer: Ten.

2. The number of apartments in each building.

Answer:

8 buildings 5 apartment each 40

2 buildings 26 apartments each 52

92

3. The total annual rental for all apartments.

Answer: Subject to War Veterans' privileges, rentals were increased during 1951. Estimated rental for 1951, \$92,619.

4. The total cost of fuel for the various buildings.

Answer: \$16,993.69 for 1950.

5. The salaries paid for management of the buildings.

Answer: Total of administrative salaries paid and to be paid in 1951 is \$21,078, of which \$5,858 is chargeable as management of the buildings.



6. The total amount of fire insurance on said buildings, and the rate per annum.

Answer: \$1,320,900. 15.4c. per \$100.00 per annum.

7. With what company or companies are the buildings insured, and what is the amount carried by each company.

Answer: All carried with Steers' Insurance Agencies, Ltd., under contract with Lloyds of London.

8. The total municipal taxes paid annually for all apartment buildings.

Answer: \$6,829.04.

9. Apart from the Board of Directors of the Housing Corporation, who is directly responsible to the Board or to the Government for the Admin-

istration of the entire Housing Corporation and what salary or salaries are being paid for such services?

Answer:

Administration, G. S. Burling, \$6,000.00  
Legal G. G. Tessier 3,600.00

10. What is the total indebtedness of the Housing Corporation at the present time to the Newfoundland Provincial Government?

Answer: \$4,905,159 (as at October 31, 1951).

11. What is the indebtedness of the Housing Corporation to the St. John's Municipal Council at the present time?

Answer: \$741,263.28.

HON. C. H. BALLAM (Minister of Labour): Mr. Speaker, I have the answer to question number 30: Mr. Cashin, to ask the honourable the Minister of Labour to table the following information:

1. A statement showing the total amount expended by that Department for travelling expenses to date during the present fiscal year; to whom the amounts were paid and what services were rendered in connection with such travelling:

Answer:

	Office	Amount of Expenditure	Cumulative Total
1.	General—1602-02-01		
	Conciliation Officer travelling to sites of disputes....	273.01	
	Deputy Minister travelling to meetings .....	17.90	290.91
2.	Boiler Inspection—1604-02-01		
	Inspectors travelling to inspect boilers, etc.....	2,291.49	2,291.49
3.	Labour Relations Board—1603-02		
	Members travelling to board meetings .....	899.53	
	Investigating officers travelling to investigate applications for certification .....	668.35	
	Executive Officer .....	16.07	1,583.95
4.	Conciliation Boards—1603-05		
	Members travelling to Board meetings .....	216.51	216.51
	Total Expenditure .....		\$4,382.86

MR. CASHIN: Mr. Speaker, I have still some answers outstanding on the order paper of October 26, and I would draw attention to it, Sir. Part of questions directed to the honourable Minister of Finance, Questions 3, 5, 6 up to 23. Then the question on October 30, today, in connection with the Birch Plant and Cement Plant, these answers I presume will come forward in due course.

MR. SMALLWOOD: Would the honourable gentleman read the exact wording of the question on the cement mill and birch plant?

MR. CASHIN: How many firm orders have been placed with the birch plant for any of its products—what firm or firms have placed the orders—table a copy of such firm orders, showing the quantity and value of such orders. Also to table a statement showing the cost of production of the various products of the plant after paying the cost of the raw materials delivered to the plant, the overhead, depreciation, interest, etc.

2. How many firm orders have been placed with the cement plant at Corner Brook for any of its products? What firm or firms have placed the firm orders? Table a copy of such orders, showing the quantity and value of such orders. Also, table a statement showing the cost of production of the product of the plant, after paying the cost of the various raw materials delivered to the plant, the overhead, interest and depreciation, etc.

MR. SMALLWOOD: I can answer both in part at once with no difficulty whatsoever. The cement mill has received a firm order for five million barrels or bags of cement or as much

of the five million as they can supply. I would prefer for reasons stated here a day or so ago not to give the name.

MR. CASHIN: What is the price?

MR. SMALLWOOD: A price which will return the operator a substantial profit. I said I could answer both the questions only in part. There are two orders, the parties and the rest I do not propose to answer and that is dealing with the cost of production and rates of profit. I am not saying I will not answer, but not at the present moment.

Now with regard to the birch mill. The largest firm in the whole world engaged in the production and sale of plywood—I will not mention the name, my honourable and gallant friend can give the name, I would prefer he would give it and not I—in North America which has many plants of its own and is one of the largest producers and vendors of plywood, made a firm order to take the entire product of this plant. Now, I do not think the cement mill would be shortsighted enough to sell its entire output to that one customer and the birch mill would be equally shortsighted to sell its entire output to one customer. I think it would be sounder for both to build up customers of their own rather than just to deliver their entire output wholesale to another company to market in their own name. Now, on the question of cost; we know almost to a fraction of a cent the cost and the anticipated cost of production in the cement mill, know almost to a fraction of a cent, labour, overhead, capital costs, interest, depreciation; every item is known in anticipation to a fraction of a cent. Of course that is only an estimate, the actual cost will be known

to that fraction of a cent when they have been in production for say a year. It is possible to estimate very closely, the cement mill is standard work, know the per kilowatt cost per hour, how much a bag or ton will cost from the standpoint of electric current, wage rates, we know exactly what a bag will cost, it has been all worked out by the ton or bag. Now they are fairly uniform and standard throughout the world, certainly in North America. The actual operation, the production and sale of cement will establish the exact relationship between the present estimate and actual cost, and we do not anticipate as much as one half of one percent difference in the estimate and actual performance. In as far as cost in the birch plant is concerned the situation is somewhat different. We begin with an almost entirely green staff with the exception of the plant superintendent. Three men only have been brought into Newfoundland in connection with the birch industry, all the rest being Newfoundlanders and in the first instance I believe Newfoundlanders who have never before worked in a veneer plywood or birch flooring plant. They are proving to be surprisingly efficient but so far the only estimate in cost will be purely a surmise. But I would advise my honourable and gallant friend and this House that if I were now preparing my budget for next year I would budget for a net account to the treasury of at least a million dollars for the next financial year by way of receipts from these two plants alone, not counting the gypsum mill, into the Treasury of Newfoundland—at least one million in the next financial year as the net receipts as to the profit on the operating account of these two mills. They will be profitable.

MR. CASHIN: I hope so.

MR. SMALLWOOD: They will be profitable, they are manufacturing world, all this cement, plywood, veneer, a product in demand through the floor, flooring and plaster board, plaster wallboard is in great short supply in North America today. To the extent that our cement mill fails to supply that one order, to that extent the order will be filled from the Continent of Europe from where they will bring the cement into Newfoundland, from the continent of Europe, there is a North American shortage today and also of plywood and of plaster wallboard.

MR. CASHIN: Excuse me, Mr. Speaker, there is a point there which might be cleared up. I gather the cement company or corporation will operate in the cement mill taking an order for five million bags, they cannot manufacture it all and the other portion they intend to bring in?

MR. SMALLWOOD: No, the consumer has informed me that in so far as North Star Cement Company cannot fill that order, they will have to bring that percentage of it in from the continent of Europe; it is not the cement company who will import the difference and sell it, no.

MR. CASHIN: I thought they might be able to make a rake off.

MR. SMALLWOOD: They might make an honest dollar that way.

MR. HIGGINS: Question number 40 has not yet been answered. Directed to the Minister of Natural Resources.

MR. SMALLWOOD: I am passing on all the answers as I get them and that applies to the Department of Public Works.

HON. JAMES R. CHALKER (Minister of Health): I will have answers tomorrow.

HON. DR. H. L. POTTLE (Minister of Public Welfare): The answer to number 40 is being prepared, Mr. Speaker.

#### Notice of Motion

Honourable the Minister of Public Welfare to ask leave to introduce a Bill "An Act Respecting Old Age Assistance."

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

Honourable the Minister of Public Welfare to ask leave to introduce a Bill "An Act Respecting Allowances for Blind Persons."

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

#### Orders of the Day

Debate on Address in Reply to the Speech from the Throne.

MR. CASHIN: Mr. Speaker, I do not know how much time I have left.

MR. SPEAKER: One and a quarter hours.

MR. CASHIN: Now, Sir, a lot of water has flowed under the bridge. Number one: I just want to refer briefly to a few points. I happened to ask a question of the honourable Minister of Fisheries and Co-operatives in respect to the tabling of information, the Interim Report with respect to the fisheries. We are told that despite the fact they have given it confidentially to the salt cod fishery board and to the press, that it would be given here confidentially; it is just as well to publish it. Why is it

that the report has not been made public? What is in it that the Government is ashamed of if it is made public? Is it that some people last year made statements that the merchants were robbing the fishermen, then this investigation took place and found that the statement was absolutely false and could not be corroborated by this investigation and now they will not publish the report because of that fact? As I see it, it is a report paid for by the Treasury directly or indirectly and belongs to the public and the Government has no right whatsoever to withhold it from the public. However, you are the Government and can do what you wish, but it is not right and the Government are supposed to do things right or as near the line as possible. The same applies to the IBEC Report. The IBEC Report has not been made public. It cost the Government many thousands of dollars. We were told, I think in the first session of this House, that the Rockefeller outfit had become interested in Newfoundland and we would have no further troubles. What do we find? They came here, made a report, IBEC, which is a branch of Rockefeller Foundation, made this report which the Government now tells us we are not supposed to see. Why? IBEC was to make a report, I understand, of the general economy of the country. They have now done it and the Government, each man, says "No, you are not allowed to see that." Why? Is it in the public interest or is it not? They spend many thousands of dollars for the Rockefeller organization report, so it belongs to the people and I represent the people just the same, Sir, as the Government, and your people would like to see it just as well as the people represented by me or any member in

the House. No, we are not allowed. The Government takes money, pays it out but will not let us see the report. Why? Are you ashamed of it? However, there are rumours afloat as to what is in the IBEC Report, rumours of a third paper mill in Newfoundland. I don't know what is in it. I would like to see it, but I can't see it. No member of the House can see it, only the Cabinet, and that brings me to the point of all the industry: last evening the Premier in concluding the debate on second reading on the Bill, with respect to the machinery plant, tells us the work is now in process. Why open the House to enact Legislation, to legislate, to legalize something you had no right to advance money for, the construction of that machinery plant or leather plant or any other without permission of the House? Very good way to get it through, the Cabinet says start it working, open the House and we have to vote whether we like it or not, we have already committed ourselves. That is what happened. Now is that democracy, a democratic form of Government? I think that is absolute dictatorship. I don't know how many men there are in the Cabinet but why not eliminate the rest of the members of the House right now and say we are going to run the country whether you like it or not. Why open the House at all?

Another thing I would like to point out. In the ten years interest on the second reading of that Bill not one member of the Government got up and supported it. Why? If it is such an important piece of legislation as we are told it is, and it is, because it involves Newfoundland in two and a half million dollars at this present time. You would imagine that some members of the Govern-

ment would have something to say for or against it.

MR. SMALLWOOD: Mr. Speaker, is not the honourable member now reviving a debate just completed yesterday?

MR. SPEAKER: No, the honourable member is referring directly to a debate concluded at the last sitting of the House.

MR. CASHIN: Mr. Speaker, I bow to your ruling. But I would refer now to Minute of Council Rules and that the members of the Government, members on the Government side of the House are subject to Minutes of Council Rulings whether they like it or not and this legislation is being passed in here just as a matter of form. If the members of this House, yesterday, had to turn down that piece of legislation, I am not speaking on the motion but on the Minutes of Council Rulings, if they turned down that piece of Legislation as they could have if they wanted to, what would have happened? Here is what would have happened. The members of the Cabinet would be individually responsible for that money already spent, many thousands of dollars about which we know nothing, we don't know how much money has been advanced in connection with these various industries to start with. Again I come back to the Fishery Report, we have heard a lot about the fishery during the past nine months. The poor unfortunate fishermen were paraded through the streets so to speak, a parade in here. During the past six or seven months a union was formed creating in the fishermen's mind they are to get a better price for fish by such a union whereas, in reality, it was merely a political move. Here is the position

whether the Government like it or not, or whatever side is in power. Fish, dried fish, particularly salt cod fish, is on the way out, on the way out, and the Premier spoke properly yesterday when he said he hoped to get ten thousand men diverted from the salt cod fishery which is on the way out, West India is on the way out, the price is lower now and other commodities are going up. To listen to people who know nothing about it prate, you would imagine they had been robbed, but supply and demand and exchange are factors, what happened in Portugal? During the past two years we have had experts on this coming here and in my opinion they know nothing about the salt cod fishery, nothing. What will happen? Portugal has over two thousand men at least on the Grand Banks fishing every year, now that is our big market, Madeira fish is practically gone because the Portuguese come out and catch fish and the result there is less fish bought from Newfoundland and the price is lower. Italy, we are in the same boat, Spain, in the same position. Salt fish is on the way out. They are going to catch it themselves and neither you nor I can stop them. That is the picture, yes, but that is not the inference by the fishermen who are led to believe the merchants have robbed them, led to believe this story by the Government recently whereas in reality whilst many made a lot of money you will find in the past hundred years a lot have gone bankrupt too. Go back to the fisheries in 1925, what happened on the South Coast, Fortune Bay, Burgeo and La Poile, Burin? What happened right here in the city of St. John's? People, wealthy people today went bankrupt tomorrow right on the Avalon Peninsula and the Burin Peninsula and on the South West Coast.

What caused it? Too much fish at that time, the Portuguese were not catching fish like today. Regulations were made whereby fish could be only sold at a certain price, the people could do nothing about it, they could not dictate to the consumer what to pay for a certain commodity. Therefore I say that report should be published. I have no brief for any of the merchants on Water Street or any fish merchants but you are trying to hide something by not publishing that report. You are ashamed to publish it and the Minister is ashamed to bring it in here and publish it. He will hand me a copy confidentially. I am telling him right now, if I got it confidentially I would consider I could go out and use it as it is being used by those who got it confidentially. I could go down town and get a copy now and I don't have to say to the fellow, I am going to keep this confidential. It is an insult to say you will give me this report in confidence, there is nothing confidential about it. Now what are you going to do about the fishery? Nationalization? People are going around, I noticed in Ferryland a couple of days ago the people up there want nationalization. That is the time some government would have a mess on their hand when they start to nationalize the salt codfishery industry.

Now, if they went into an inquiry into the cost of producing fresh fish they would probably be coming nearer to it, a lot nearer to it. I don't know what profits are made on the operation but I do know that fresh fish in Nova Scotia and the United States is much higher than it is here in Newfoundland—I mean to fishermen, they make more money than here. I know that the people who

catch it here have to bring it to the United States to sell and the cost of transportation does not absorb the difference in cost. I do not know, that is for these experts and cost accountants to find out and if the fishery department were doing their job that is what they would try to find out something about, the cost of the fresh fish and how the people who are catching it are treated. Now it is cheaper to make good fish than bad fish, a lot cheaper to make good salt codfish than bad codfish, it costs less money, a hundred percent less. I will go that far and we hear a lot about Madeira, large Madeira, Merchantable, no West India any more and no Merchantable. We hear fishermen growl today, that is their privilege, I never saw a fisherman yet that was satisfied with his cull, he would not be a good fisherman if he were but what I am getting at is I want to see that report and the people to see it. I am not entitled to see it unless they are and if you are ashamed to publish it then the least you might do is apologize to those whom you have slandered because that is what has happened. The merchants were robbing the fishermen and this report, from what I hear, says that there are only a handful doing this but a great majority of the merchants of Water Street and other Water Streets in other communities in the country, paid a fair price and you don't want to publish it because you have to eat crow. That is it in a nut-shell and the same thing applies in respect to the IBEC, this wonderful Rockefeller that was going to put the country on its feet overnight when in reality we had to pay him to come here to give a report which you are ashamed to publish because if you are not ashamed, if they fell down on

the job then we should give them the criticism they deserve.

Now, I also asked a question which has not been answered here yet. This is purely political, the only bit of politics I will probably bring into this Room, with respect to the hospital in Ferryland District. Two years ago now the Government assured me this hospital was to be constructed, in any part of the district they like, I don't care where it is. In the past session it was in the estimates, for the past year it has been in the estimates. If I live until next time probably it will be in again but the hospital has not been built. Now, I am going to be fair about it. To begin with the Government does not want to put it there, they want to get out of it. It was a bluff from the beginning and an absolute bluff. I state that categorically it was bucked by the Deputy Minister in the Department of Public Health for reasons of their own, people who were not paying attention to their own job, interested in other businesses, who don't care one tinker's damn about the people in my district of Ferryland and anywhere else. However I went and called on the Minister of Health one time this year and he told me they were not particularly keen on building a hospital but would I be satisfied with a nursing station. I said; "With anything," but that has not been put there, neither one is there yet and it is over six months of the year past now, seven months today or tomorrow and I believe they have no intention of building either. What they will probably do, the Government will play politics with the poor unfortunate sick people, that is what it is, a Government that plays politics with sick people and are not worth talking about. They have no

intention of putting it there, none whatsoever. The same applies to roads in Ferryland District. They have no intention of doing that even though constructing one leading into Ferryland District, in St. John's West, Extern, they are hung up on that because the Government has not courage enough to act when people are holding it up over property in Kilbride and the Government has not seen fit to exercise its authority and take the land to build that road but when some German interest is involved, they pass special legislation to do it. That is the only bit of politics I am going to talk, because, Mr. Speaker, it is questionable whether I ever want to be identified with it at all, after another year there won't be any politics in Newfoundland because if the things presented to me here and to this House tell anything it tells me this Province is bankrupt or will be next year whether we like it or not and I have listened to people talk about the terms of union that you build up your services to such and such and then go to the Federal Government and they will give you the difference. That is tommyrot to me, they have not undertaken to do that but to appoint a Royal Commission to come here and check certain things, when in fact the Royal Commission is really the one appointed by the Government to negotiate the terms.

Now, with respect to all these industries we are told are going to revolutionize the Province the honourable member here on my right made a point yesterday that I overlooked in the past and that was this, that if all these industries were successful. I will enlarge a little, that Newfoundland does not get enough revenue out of it as far as the Exchequer is concerned except you impose additional taxation

which you will have to do to balance the budget, whereas in the past it paid to have loans or guarantees because so much was spent in the country that indirectly as a result a certain amount came back through the avenue of profit tax and customs and came back into the Exchequer of the country. But there is no more Exchequer as far as customs is concerned and profit tax is concerned, it has gone and we will never see that any more. Therefore, as far as revenue for the Treasury is concerned these new industries will create no new revenue for the Treasury. If they are successful which we all hope they will be and if they are promoted in a proper, decent, honest manner, which I don't consider they are at the present time, then you will have your people employed and you will be able to tax them to make up the balance of the deficit. However, on the budget the next year or the year after, one: Your forty million is cleaned up and your transitional grant begins to deteriorate from year to year. Now, the Premier, in reply to questions here this afternoon, told us that next year if he were making up the budget now he would put in a million dollars profit on the cement and birch plants; the others are not in operation. Well, he needs it because next year, six hundred and fifty thousand is taken off from the transitional grant and the birch plant and the cement mill will make it up and the following year if the other plants are in operation, owned by the Government, one over in Corner Brook, will have to get a little more because another additional amount will be taken off and so it goes right on until it disappears and consequently at the end of the twelve years they will have to make nine million in profit to make up for that transitional six and a half million dollars, I think, a year.



So that you have to go into more business and there is a Bill coming before the House which I am going to support and I have not gone into it, that this aspect of this debate may or may not be a good thing but it is advancing money to develop or trying to develop some natural resources in the country whereas in the other cases we have only the word of outsiders whom we never heard of before, and on a rotten financial basis, and I refer to all these industries one after the other that will be financed in like manner that this Government nor any other has any right to guarantee money to start—a business operation without every detail being gone into, and I regret that I can say to the members of the Government now here not to vote for these various measures and there I am not referring to the one yesterday but with respect to all of them.

The members of the Government or on this side of the House who would vote for these measures without an intelligent survey of the whole thing are not fit to be members of this House either on the Government or Opposition side because it is our job in here and yours over there that when a measure of such nature comes before us for discussion, where the guarantee of the Treasury, the public interest—our job to see that the public are protected. We have not done it in this case nor in any of these cases are we going to do it. All these industries are already in operation at this time, begun without the sanction of this House and one wonders why it was opened at all. I repeat that, I wonder why the House has been opened at all as the Executive Government took it upon itself to begin these industries without any sanction of the Legislature whatsoever.

MR. SMALLWOOD: Exactly what was done with the Humber Deal?

MR. CASHIN: Here is what happened in the Humber Deal. I am glad you brought it up. It was an election issue and both parties went to the country at that time pledged to support the Humber Deal. Both parties, the opposition and the government of that day, but this party, the Conservative Party did not go to the country pledged to guarantee money without proper investigation.

MR. SMALLWOOD: Was the planning begun before?

MR. CASHIN: The plant was begun before and the opposition were in favour and everyone in the opposition voted for it. I think there were eleven or twelve at the time, one of the strongest ever in this House, if you had that opposition here today, my dear gentlemen over on the other side, you would not get to first base. I tell you what would happen if it were brought in in 1923, the crowd in here today would not be here twenty-four hours and I can see the ghosts of some of them right here now, and the Premier knows it.

MR. SMALLWOOD: I think I could tackle them.

MR. CASHIN: God help you, you think a lot.

MR. SMALLWOOD: Yes and am usually right. I take that back. I am always right.

MR. CASHIN: Always right, you are always right you tell us. Were you right in connection with the Icelandic venture?

MR. SMALLWOOD: I was right but they were wrong.

MR. CASHIN: You gave them money, in other words, they should not have taken it. Were you right in connection with Seigheim?

MR. SMALLWOOD: Yes.

MR. CASHIN: Do you want to hear about it, I have enough dope here on Seigheim to drive the whole lot of us out of here, we all voted for it in here, a crowd of gauks, myself, the Government, the Opposition and Seigheim was the greatest fake brought in here and put it all over us and recommended by no less than Dr. Valdmanis and I have proof in writing that it is so. For God's sake, Mr. Speaker, don't let me hear so much praise of this individual if he is able to do his job let him go ahead and do it. There is nothing in here yet and never will be until he leaves here. He told me himself he was offered fifty thousand elsewhere. Do you know my reply: I say he should be in with O'Brien, because if he were offered fifty thousand and accepted twenty-five he should be in with O'Brien, he is nuts and anyone who comes in here and tells me that he accepted twenty-five thousand when he could get fifty thousand from someone else, he is not worth twenty-five. He could not get it from the Federal Government or from any other Provincial Government and they have a lot more money than we have and probably a lot more experience too and they were darn glad probably to get rid of him.

Now, if the construction of a new tannery is proceeding rapidly in Carbonear by what authority was that started, the authority of the Cabinet, the Government. The House had nothing to do with it and, I repeat, the Cabinet has no right to pledge money

without the consent of the House, none.

MR. SMALLWOOD: It is —

MR. CASHIN: They have to bring it in here before it is legal and the Controller of the Treasury is lacking in his duty also and the Auditor General if they passed it. Mr. Speaker, I am telling you that until such time as that legislation is passed in here that money spent is spent illegally.

MR. SMALLWOOD: No.

MR. CASHIN: Yes, illegally, you have no right to spend it. You should have brought this thing in here—last year you knew at that time they were coming along, why not vote it then instead of now.

MR. SMALLWOOD: As soon as we knew.

MR. CASHIN: And then started them without the authority of the Legislature.

MR. SMALLWOOD: That is why the House is open. So was the Humber Deal started.

MR. CASHIN: Yes, but it was an undertaking between the two parties, I was in one of them. I want to hear the Minister of Justice get up and defend himself and his actions that it is not illegal, it is and the only way it can be legalized is in here.

MR. SMALLWOOD: And we are legalizing it now.

MR. CASHIN: That is why you are here to legalize it. They are illegal before.

MR. SMALLWOOD: I did not say that, not at all.

MR. CASHIN: Yes, open the House.

MR. SMALLWOOD: Read your Audit Act.

MR. CASHIN: They are not legal all until they pass this House, say what you like.

MR. SMALLWOOD: The honourable gentleman in a new role, lawyer.

MR. CASHIN: Go down and ask the Auditor General, the Controller, both acted —

MR. SMALLWOOD: No.

MR. CASHIN: Yes, I know the whip was held over them, yes it was and over many people, if you don't do this or don't do that—do it or else.

MR. SMALLWOOD: There is not a syllable of truth in it. That day is gone.

MR. CASHIN: Yes, as far as we are concerned.

MR. SPEAKER: Will the honourable member please resume his speech.

MR. CASHIN: Well, Mr. Speaker, when I am left alone I am speaking on the legality or otherwise of Minutes of Council and I am going to tell you why it is illegal. Now, in 1927-28 then the Government passed Minutes of Council spending certain monies for election purposes—they were defeated at the polls in 1928 and I was placed in the awkward position of bringing in the Legislation to legalise their illegal expenditures. I kicked but was forced to do it in the end. I was told by legal authority just as bright as the present Minister of Justice what would happen if we did not bring in, incidentally I am not quoting my own opinion as a lawyer, I am not a lawyer, not on that type of stuff anyway.

MR. SMALLWOOD: Only on advocating in the Supreme Court.

MR. CASHIN: Anyway I question whether it would stand up tomorrow in view of the Audit Act and all the other Acts created to control the Treasury, and not control it by the Cabinet. They say I spent some money and I say if they spent it they committed themselves, the estimates are not lived up to although it is questionable if they ever were in the past but not to the extent of a million or two and a half million dollars.

Some discussion took place in the Speech from the Throne on the natural wealth of Labrador. It is an unexplored area more or less. The IBEC Report has something with respect to it which they stole off some other report. They did not go in themselves to find out. There are great timber possibilities in the Labrador area and large mineral possibilities but what part of the Labrador Mining Company is going to produce or to begin with, is it on the Newfoundland or Quebec side?

MR. SMALLWOOD: Both.

MR. CASHIN: As far as I understand it is principally the Province of Quebec. Newfoundland again gets the rotten end of the stick. The Commission of Government—I have to go back and have a crack at them again though they are a dead horse—made a contract in 1938 with the Labrador Mining Company, an amendment to the original Act calling for a royalty of ten cents a ton on all ore coming out of that area as agreed to for Bell Island on a million tons and over that five cents a ton I think, and they saw fit to change that Act and Newfoundland is getting nothing out of it now. That is the position now, we are get-

ting nothing out of it only our people will probably get some labour.

MR. SMALLWOOD: We will get about half a million dollars a year taxation into the Treasury on the five per cent of the profits.

MR. CASHIN: That will probably go to the Federal Government.

MR. SMALLWOOD: Five hundred thousand dollars.

MR. CASHIN: To begin with before there is any profit you and I won't be around because there is none on ore coming out on the Quebec side, but on the Labrador side and now I have reached a point. Our Government today should see to it that they carry out their contract properly and develop that area as well if they are going to develop the Quebec side and leave us out in the cold we will get nothing. In addition they have the water power too, the big one, under this Act, why they are going to pay us the magnificent sum of fifteen cents an hour.

MR. SMALLWOOD: This government got a dollar an hour for the power.

MR. CASHIN: There is no agreement but that one agreement which says fifteen cents to develop power.

MR. SMALLWOOD: They are not going to use that.

MR. CASHIN: We don't know. The greatest water power in North America or supposed to be and they got it for fifteen cents, not a dollar, the Government—

MR. SMALLWOOD: The power they are now developing they are going to use and will pay us an agreed rate.

MR. CASHIN: Have you an agreement?

MR. SMALLWOOD: It is not that kind of an agreement.

MR. CASHIN: When myself and the Premier get crossing swords we get a lot of information. There is evidently another agreement between them and the company and the Government now which we know nothing about. Is there legislation to cover it? Has there been legislation brought in here?

MR. SMALLWOOD: I am merely telling you we will get a dollar an hour power.

MR. CASHIN: Is it to be brought in this session?

MR. SMALLWOOD: No, not this session.

MR. CASHIN: Is the correspondence available to the House? I will ask a question tomorrow.

MR. SMALLWOOD: I will be glad to give the answer if I have it.

MR. CASHIN: Have you a letter from the Labrador Mining Company as to which water power, which one is that?

MR. SMALLWOOD: The one the railway runs over, the dam from which the power will be taken.

MR. CASHIN: Now that the Minister of Health is here I will repeat something that I said a short while ago. Last year in the estimates and the year before in the public health estimates there is an amount of, I forget how many, thousand dollars for Ferryland District, and no money has been spent in respect to it yet. I asked a question.

MR. CHALKER: I will answer that tomorrow.

MR. CASHIN: I will have an answer tomorrow and that was a week ago. My point is this those estimates which were prepared are just a joke. I told the House I had a confidential talk with you some months ago in which you suggested a nursing station and I agreed because something is better than nothing.

MR. CHALKER: Yes, they are ready to build now. We have the site in Trepassey. It is a question of the nursing station.

MR. CASHIN: In other words you went back on your promise and I did not anticipate anything else. You never intended to build it, it was put in there for a bluff.

MR. SMALLWOOD: I will tell him now just as sincerely as I ever told anything in my life, it was the Government's intention to build that hospital in Ferryland but because it was the unanimous opinion of the Department, the department unanimously advised against the building of a cottage hospital and did advise for building of a nursing station at the far end of the district and provisions of a snowmobile service at the near end instead of the cottage hospital. Put a nursing station in Trepassey to serve that end of the District and for the remainder let the General Hospital serve and when there is no snow it is only a short run by car, we are getting the road done as my honourable friend knows, and in winter by snowmobile. That is the advice of the Department. I felt hot, felt I should not be placed in the position of breaking a promise, on the other hand could we take the whole unanimous opinion of the Department and defy it, could we properly?

MR. CASHIN: It is evident now the Department is being run by the Professionals and not the Minister. I had an operation a little while ago, and I would not have one of them tie up a sore finger for me. I am telling you they know nothing about Ferryland and two years ago it was brought in in the estimates.

MR. SMALLWOOD: I tell you I insisted on it, I was trying to make up my mind as Leader of the Government, whether I should defy absolutely the professionals in the Department of Health and I came reluctantly to the conclusion that I would be a fool as Leader of the Government to fly in the face of unanimous professional advice, not just human advice but professional advice as doctors, as medical men, frankly I could not defy their advice.

MR. CASHIN: It is all right for them to administer medicine but they have no more idea as to where a hospital should be built than I know about operations, that is their profession but as to where it should be located they have no more knowledge than I have of medicine.

MR. CHALKER: Who has the knowledge, Mr. Speaker?

MR. CASHIN: The Government when it decides on a thing, they should go ahead and do it. Yes, the Government decided twice, they are here in the estimates twice.

MR. CHALKER: Mr. Speaker, if I may. I had a short talk with the honourable gentleman in connection with Ferryland Hospital and from my own advice and many people living on that shore, very prominent people, I saw the honourable gentleman and suggested that instead of the new hospital in Ferryland which

was not thought necessary that a nursing station be built at Trepassey and that automobile service for winter and summer be made available. I thought he accepted the idea but this afternoon I don't understand.

MR. CASHIN: I agreed yes, but it has not been done, there is not a stick or foundation for a nursing station been laid yet.

MR. CHALKER: It is out on contract now.

MR. CASHIN: There has been nothing done.

MR. CHALKER: They have the ground down there, what more do you want?

MR. CASHIN: You have all kinds of ground, the South Side Hill is full of ground if you don't know about it. Now that you are going to do it, I agreed, yes, to the nursing station but that was several months ago and it is not such a big job, a nursing station, a hospital is a ninety thousand dollar proposition but I don't know how much a nursing station will cost.

MR. CHALKER: A hospital is as much as \$135,000.

MR. CASHIN: A nursing station is a couple of rooms in a house.

MR. CHALKER: It is a thirty-five thousand dollar outfit.

MR. CASHIN: In view of the hundreds of thousands being spent in other directions, I suppose we people in Ferryland—and I lived there all my life you know—will get something.

MR. CHALKER: I have been there too.

MR. CASHIN: Sure you have all been there.

MR. SMALLWOOD: I was there too.

MR. CASHIN: It is something to get a nursing station they never had before and I got that out of you. But the honourable Minister, Mr. Speaker, he knows as much about it as I do.

MR. CHALKER: God forbid that I am that ignorant.

MR. CASHIN: I know that district.

MR. CHALKER: You must be if you make a statement like that.

MR. CASHIN: What do you know about it, what would you know?

MR. CHALKER: I take a personal interest.

MR. CASHIN: You are stuck in there politically. However we will get a nursing station, I have battled in here for two years to get it, fighting and getting abused and if it is worth anything it is worth abuse, and I will say now only that if I were not abusing someone they would not have it now.

MR. SMALLWOOD: Let the honourable gentleman get the credit for it, give him the credit for something. He gets the credit for the roads too.

MR. CASHIN: Yes, we were going to get a road and the Princess was going to embark at Bay Bulls and when you found the condition of the road you diverted.

MR. SMALLWOOD: I will tell you I was ashamed of Newfoundland when I drove over that road. We are doing something to it, did something last year and the year before.

MR. CASHIN: Listen, Mr. Speaker, the Government spent millions of dollars on roads in this country.

MR. SMALLWOOD: Yes, and we are doing something about it.

MR. CASHIN: In spots, a patch job, there is no real job being done there. I have been up there since I came out of hospital and I saw how it is. You are doing a little. I am going to be quite frank; I don't think the country can afford those paved roads and today I am happy or would be happy as a politician or as a resident of Ferryland if we had a decent, what is called, dirt road, kept up properly. That fifty thousand dollar a mile business across the Island is going to bankrupt Newfoundland anyhow and I am prepared today to advocate a decent dirt road, it is all right if you want to build a concrete road, maybe they will say Cashin would not have a concrete road up here, no nor anywhere else, we have not the money nor the sources of taxation to get it out of the people to pay for paved roads and by the time we are finished with the Trans-Canada Highway—I noticed a statement the other day that our share would be between twenty and twenty-one million dollars, well that twenty millions is the balance of the surplus gone.

However, Mr. Speaker, I am about to conclude my wandering talk in connection with the Speech from the Throne, mainly because it could not be any other way: Number one, I did not have the time and secondly, the Government were in no hurry to give replies to questions which I, at any rate, put on the order paper. They dilley-dallied from day to day. Maybe they are not responsible for it, for now it has been indicated to us this afternoon that the staffs run the departments and the Ministers no longer have much to say, therefore, that does not surprise me, con-

sequently we as members of the House who may ask a considerable number of questions may not get those answers until such time as someone in the various departments thinks fit to prepare them. I do know the Premier is a busy man, what happens is he just sends the questions to the various departments and awaits replies, he does not check up on them every day to find out how many he has to get or how many are answered until his attention is drawn to them in the House but several important questions I have asked have not been answered, however one was straightened out this afternoon so the honourable Minister of Public Health may tell his over-worked staff and his over-worked Deputy Minister that they need not worry about preparing.

MR. CHALKER: It is all ready.

MR. CASHIN: They need not have worried, I got the information, hammered it out of yourself, that is what happened and I got under his skin a little.

MR. SMALLWOOD: No not a bit under his skin, he was only ready to eat you alive that was all.

MR. CASHIN: That is the time he would need a lot of salt.

The honourable mover of this address has criticized me privately because when I opened my few remarks I said it was customary that I must congratulate the mover and seconder. He was indignant and said, I did it just because it was the custom of the House that I complimented him and I must apologize to him now because I have great respect for my friend the mover of this motion and I could not well oppose any motion my honourable friend makes in the House although he opposes many of my views.

Mr. Speaker, I again repeat that in my view at any rate the Government has acted unwisely in taking upon its shoulders the way it has the guaranteeing of industries and expenditure of money on those industries while they have no intention, not one member of the Government, are able to get up and defend it, not one member. The Premier spoke last night on one of those industries, on the fine people he met in Europe and I am not going to say what country, everyone knows the country, not too friendly disposed towards us either. They were fine people, big people, they are coming out here and we are financing them. Now, not one member of the Government, and particularly when we go into Committee of the Whole on this Bill, will be able to get up here, including the Premier, who is noted for his eloquence, can get up here and logically and not to paint a picture by Michael Angelo or someone like that, in some castle in Europe but to lay down categorically in cool business fashion their justification for voting for such an Act whether the proposition is sound or unsound, and I say right here now that most of these propositions coming in here are unsound financially. I hope they will turn out all right, but from the financial point, I must congratulate my friend here to my right for a suggestion which skipped me completely. Next week or the week after ask me what I would say to the financial proposition presented here with a government guarantee and I would turn it down cold. We have heard some of them went to Toronto and they were taken away and brought here. Why? Is the Ontario Government not prepared to give guarantees? We were told also, I must not forget this, I have to get a crack at the Premier before taking my seat.

We were told that on the Seigheim proposition that the Pulp and Paper Association of Canada—

MR. SMALLWOOD: I did not relate that to Seigheim. I merely said they were trying to discredit logging in Labrador.

MR. CASHIN: All right, but the Canadian Press carries a message categorically denying that they had anything to do with it. Now, how can we prove this? Seigheim was the only one who came to do this logging at the present time, no one else came in here and looked for concessions only Harriman-Ripley and that crowd and that Crown Land Legislation is all that is here yet.

MR. SMALLWOOD: There is no legislation but there are other parties.

MR. CASHIN: However they say. I am going to be quite frank, I don't believe that. It is not their job, they are not producers of pulp or paper at all. They are an organization headed by a man called Fowler—— I do not know, he is the outstanding man in Canada in this thing and was put there by all the leading papermen of Canada and I question whether the Canadian Pulp and Paper Organization ever said one word that would keep a dollar out of Labrador. But I do know who has. Dr. Seigheim has done more injury to Labrador than any other ever did because he has gone back to Europe spreading a report that there is only logging there for three months of the year.

MR. SMALLWOOD: No, he himself is the victim of that propaganda.

MR. CASHIN: Who published it, was it the Canadian Pulp and Paper Association? How long more have I got, Mr. Speaker?



MR. SPEAKER: A quarter of an hour.

MR. CASHIN: As for Seigheim I could give his whole history if I wanted to do to waste time on him, but Seigheim is the one who has damaged Labrador. He was two years in the pulpwood business in Europe, not thirty.

MR. SMALLWOOD: Thirty years.

MR. CASHIN: Now I have to give his history.

MR. SMALLWOOD: He is not a Jew, that is wrong.

MR. SPEAKER: Is the honourable member intending to cite the author or source of that paper, if not the honourable member is not permitted to read it. I was going to say, for the honourable member's own sake, he automatically becomes responsible for it.

MR. CASHIN: I am prepared to take any responsibility in connection with it. As I said the other day, Seigheim is dead and gone, politically, and in the wood business and everything else.

MR. SMALLWOOD: May I have the floor, if my honourable and gallant friend is anxious to have the source of most of the anti-Seigheim propaganda. I know I never related what the Pulp and Paper Association had done or said or written with Seigheim but only to the matter of logging in Labrador, not particularly in relation to Seigheim. My information is this, that most if not all of the organized campaign of propaganda aimed at Dr. Seigheim was organized from a source which has now agreed to join forces with Dr. Seigheim—Dr. Seigheim agreed to join forces with him, therefore my honourable friend's

information is now passed, it is now out of date and further the stream of propaganda, some of which has reached this city and honourable members of this House, will now cease because the source sending out the propaganda have now agreed to join forces with Dr. Seigheim.

MR. HIGGINS: You said Canadian the other day.

MR. SMALLWOOD: I never at any point connected Canadian interests and Canadian propaganda with Dr. Seigheim, only with logging in the Labrador.

MR. CASHIN: Mr. Speaker, there is only one way to straighten this thing up. The other day the honourable Premier—I am not stupid, not half as stupid or ignorant as the Minister of Public Health thinks—and I gathered this, the other day that the Canadian Pulp and Paper Association were primarily responsible for destroying the possibility of Seigheim's venture in the Labrador.

MR. SMALLWOOD: No.

MR. CASHIN: There is only one way to fix that up, Mr. Speaker, and I move the adjournment of the debate.

MR. SPEAKER: There is no point in arguing that. There is only one source and that is Hansard. I will say, however, that I have a very clear intimation of what it said.

MR. CASHIN: I just want to clear the record, what did the honourable Minister say?

MR. SMALLWOOD: I have just told you.

MR. CASHIN: So have I a fair memory myself. The thing is, in my

opinion, the other day you named the Canadian Pulp and Paper for the Labrador.

MR. HIGGINS: No, generally, he did not say Seigheim but generally condemned the logging in the Labrador.

MR. SMALLWOOD: Right, that is what I said.

MR. CASHIN: The Canadian Pulp and Paper Association were trying to damage the Labrador for logging. Now they claim they did not say any such thing. You come into the House and say there is a group now joined up with Seigheim who have been knocking him before, two crowds of crooks, two crooks, Seigheim and the other gang whoever they are.

MR. SMALLWOOD: American.

MR. CASHIN: American and German or any other kind now.

MR. SMALLWOOD: It is a straight transaction, both wanted to get the same concessions on in the States.

MR. CASHIN: Dr. Seigheim has representatives in Canada and the United States and in Europe, with Headquarters in Europe prior to the outbreak of war in 1939.

MR. SMALLWOOD: And Portland.

MR. CASHIN: True they have officers in Portland; however, the position now is they have joined and the Premier's statement with respect to the Canadian Pulp and Paper Association has been denied by them.

MR. SMALLWOOD: Not by me.

MR. CASHIN: You said you had a letter dated September 22nd, from someone confirming such statement regarding some one. If so, why not

table it in the House. I know it is quite easy for me to say I have a letter which I am not going to table.

MR. SMALLWOOD: The honourable gentleman can take his choice as to whom he believes.

MR. CASHIN: I don't know who to believe. Let us find out the truth.

MR. SMALLWOOD: The honourable gentleman has to decide for himself as to what is the truth.

MR. CASHIN: Well, I don't believe the Pulp and Paper Association of Canada did anything to hurt the woods operation in Labrador.

MR. SMALLWOOD: Therefore he does not believe me. The inference is very clear.

MR. CASHIN: It is very clear, they have come out and said they have not. Are you coming out tomorrow—

MR. SMALLWOOD: When I say nothing my original statement stands. They can deny it and my statement stands. I have offered no comment on their denial. My original statement stands. I am on record with that statement.

MR. CASHIN: You are on the record and they are, anyhow we are getting nowhere and now that I am concluding my remarks and it is a fairly bitter ending, no bitterness is necessary but probably a difference of opinion. With respect to the members of the Government I wish them the best of luck but I do say this to them, and there is no doubt about it: Don't bring any more legislation in here like the Seigheim deal, it is only making a cod of yourselves and that is what you have done, I can't help it when you do that.

MR. JANES: Mr. Speaker, I move the debate be adjourned until tomorrow.

MR. SMALLWOOD: Mr. Speaker, I give notice I will on tomorrow ask leave to introduce a Bill "An Act to Amend the Public Records Act, 1951." That is the one to set up a commission for the purpose of archives, to increase the personnel.

MR. SPEAKER: Have I a motion that the debate be adjourned until a later hour this day, and the seconder?

Moved and seconded this debate be adjourned until a later hour this day.

MR. SMALLWOOD: Could we now go on to No. 4, Mr. Speaker? Second reading of a Bill, "An Act to Approve and Give Statutory Effect to an Agreement between the Government and Newfoundland Asbestos Limited."

Mr. Speaker, I will explain the principle of this Bill quite briefly. Out at Bluff Head in the District of St. Georges, Port au Port, in Port au Port Bay at approximately the boundary that separates that constituency from the District of Humber, there is known to be a deposit of asbestos. The property is owned by Mr. Walter Seibert who is the principal owner also of the St. Lawrence Fluorspar mine, one of those fluorspar mines at St. Lawrence. Some years ago a Canadian Mainland Company, I think, the Asbestos Company of Canada of Asbestos Quebec secured from Mr. Seibert an option to prospect and operate that property. They sent in there on the property a young engineer, who was there for I think two seasons and spent I understand a sum of money somewhere between one hundred and five hundred thousand dol-

lars. I am informed by the Newfoundland Government Geologist, Mr. Claude Howse that he has always been quite dissatisfied with the manner in which that prospecting and enquiry were carried out by an agent of that Canadian Company. At all events after two years the company in Quebec decided against mining for asbestos there and dropped all further activity in it. Mr. Seibert was not at all satisfied with the situation. He continued to have great faith in Bluff Head as an asbestos prospect. Early in the present year he raised enough funds to retain the services of Mr. Karl Ruckeyser to go in on the property and make a survey. Mr. Ruckeyser is an American engineer and geologist with very great experience in asbestos. Indeed I am given to understand that Mr. Ruckeyser is probably the greatest living asbestos geologist and engineer in North America today. At all events he has had his services retained by most if not all of the asbestos operating companies of this continent and there is no doubt whatever that his reputation amongst asbestos people is exceedingly high. Mr. Ruckeyser before visiting the property in the early Spring first went to the Asbestos Company and got the right to examine their records, the records compiled and kept by them of their two years work at Bluff Head. These he examined very carefully and then proceeded to Bluff Head himself where he spent the best part of a fortnight in physical examination of the deposit and the area in general. As a result of both sets of activity he submitted to Mr. Seibert a report on Bluff Head that our Newfoundland Government Geologist, Mr. Howse described to me and to the Cabinet as quite exciting. In that report Mr. Ruckeyser declared his firm conviction that Bluff Head asbestos deposit

has first class importance and that there is there in his belief a first class deposit of high grade asbestos. He outlined in considerable detail a programme of examination which would, if carried on, establish the truth or otherwise of his opinion. To carry on that extra exploration would cost approximately seventy-five thousand dollars. If his belief were sustained it would then cost approximately, and here I speak from memory, a quarter of a million dollars to establish the necessary machinery, equipment and mill and certain utilities to operate the asbestos mine. Well, if his belief were sustained by the preliminary drilling and enquiry at a cost of seventy-five thousand then a further expenditure of approximately a quarter of a million dollars would be necessary for machinery and equipment to put the mine into actual operation and would produce without delay, quite quickly, one million dollars worth of asbestos from one section alone of the deposit.

Confronted by that report and the Newfoundland Government Geologist's faith in it and the fact that Mr. Seibert the owner, just does not have the money with which to confirm or disprove Mr. Ruckeyser's report the Government undertook to subscribe for seventy-five thousand dollars worth of his companies shares in his asbestos property. Instead of just guaranteeing the seventy-five thousand dollars or lending it the Government decided to make that much money available to him by purchasing shares to that value. These shares being preferred, convertible, redeemable shares. Now, Mr. Seibert having gotten that money or a portion of it, at once retained Mr. Ruckeyser to go in there and take charge of the exploration and retained at the same time the services of a

drilling company who happily by good fortune happened to be here in Newfoundland at the moment doing drilling work for Buchans Mining Company and DOSCO on Bell Island. They had their drillers and mechanical equipment here in Newfoundland ready to use. They have gone in there with Mr. Ruckeyser in charge and this other mining or drilling company and by the middle of December this year we expect the final report of this work to be in our hands.

Now, in addition to subscribing this money for the purchase of shares in that asbestos property the Government have also ordered an airborne magnetometer survey of two hundred and forty square miles of land which lies around that Bluff Head deposit for two reasons, one, that our Government Geologist advises us that that whole area is one of the world's most remarkable ore formations being particularly favourable for asbestos and that being one of this Island's most promissive mineralized areas, we are having investigated for that reason the whole area which might well be rich in asbestos. Also because of the fact that Mr. Howse advises us as did also a distinguished geologist who has been making investigations in Newfoundland for a certain famous European Company at their own expense, being advised by those two that there was not only asbestos but also chromite and venite in that area, we undertook this areometric survey that was completed in approximately ten days. We expect the report of the aerometric and geological survey and the full written report of the Airphotographic Survey Corporation of Toronto will be in our hands by the middle of December. I may say in passing that when we made the airborne magnetometer survey of those two hundred

and forty square miles of that part of the District of St. Georges, Port au Port, we did also another area of one hundred and ninety square miles which was done by the same airborne magnetometer in the area immediately inside of the town of St. Georges.

Now, Sir, our hope is this, first that asbestos in high quality and in considerable quantity will be shown to exist, and secondly, that a mill will be established in the course of the coming winter or spring for production and milling of high grade asbestos, and thirdly, that an entirely new industry will be the result of the production of the asbestos, namely, an industry resulting from the joining of the Humber North Cement Mill to the Port au Port asbestos in the production of asbestos cement. That is to say asbestos cement shingles, siding, for piling, construction and asbestos cement products of other kinds. Our hope would be to establish that new industry in the District of St. Georges, Port au Port probably somewhere in the vicinity of Stephenville Crossing to which factory they could be moved easily by road or rail to Humbermouth as would also the asbestos from Bluff Head by trucks, then shipments of the resulting product could be made from the factory by rail, road or water. Because amongst the plans that certain people have in Bay St. Georges is the construction of a ten and a half million dollar pier construction of which begins in the present year.

MR. CASHIN: Where is it?

MR. SMALLWOOD: I would prefer not to pin-point the exact location of the pier in Bay St. Georges, but I say certain people have decided to erect a great new modern pier at a cost of ten and a half million dollars

construction of which is to begin in this calendar year.

MR. RUSSELL: The Federal Government?

MR. SMALLWOOD: I would prefer not to pin-point the location or who has decided to build it and I think the House will understand what I mean by that. I don't think I am at liberty to say, I have excellent reason to believe that this new industry which Newfoundland may have in the area of Bay St. Georges will have the right to use that pier for shipments in and out of Bay St. Georges so that the House will see how much depends upon the spending of this particular seventy-five thousand dollars. The production of a new asbestos mine and mill, the creation of a new asbestos cement industry and bring some revenue into the Treasury of Newfoundland.

I was happy to hear my honourable and gallant friend the member for Ferryland express in advance his pleasure over the action of the Government and I would hope that the whole House will support us in our action as represented in the Bill now before us.

MR. SPEAKER: The motion is that the Bill be now read a second time.

MR. CASHIN: Mr. Speaker, this is one Bill I will vote for. I think we are spending it on something in our own country to find out whether or not there is any justification for the hope that a good industry may be established in that particular material, asbestos. It is something like many other projects, we have to put up money in order to find out things and the money in reality is a loan. If it turns out to be a bluff, we hope

it won't and from many indications it should not, then we will get our money back. On the other hand even if we lose that seventy-five thousand dollars the money would have been well spent. I support the principle of this Bill.

MR. RUSSELL: Mr. Speaker, this is not one of the birds which came out of the pie, consequently I would not care if there were any salt on it or not but I find there is. I am going to support the Bill because it is entirely different, categorically, altogether than other projects we have discussed or will shortly. That point has already been outlined by the honourable member on my left but I like particularly in one section of the Bill where it says, "provided however that if during the development work during the initial stages, the time when the seventy-five thousand is being spent, during that time the Government geologist or the company's engineer in charge is of the opinion that further expenditure is not justifiable the Government is then under no obligation to purchase any additional shares." That is common sense and I congratulate them on that clause. That is assurance to us, if we needed it, that they are really thinking constructively about the project. I believe the Government Geologist. I know him well enough to feel sure that if at any time he feels the Government is wasting money on this seventy-five thousand dollar exploratory work, though it is hard to see how they could be wasting money, in spending that amount in trying to find out what we have there, but if he felt so he would recommend strongly to the Government that the project be dropped. So that I am going to support it and lest the Government members faint from the shock

of finding me supporting them so quickly I want to make it clear that probably I can best exercise my attitude towards the Government in a little poem I have heard here during this session, some very famous lines quoted in a very famous poem by Longfellow:

"Thou too sail on, oh ship of State." Well rather than compare the Government to a ship, I am going to vary it for a minute and compare it to a truck and with apologies to Longfellow and everyone who has ever recited his wonderful lines I am going to vary his lines a little and say:

"Thou too drive on, thou truck of state,  
Drive on, oh Government strong and great,  
Thy driving power has what it takes  
But where oh where, where are thy brakes?"

MR. HIGGINS: Mr. Speaker, I would like to say a few words in connection with this: in the first place it has been incorporated with a capital of one hundred and fifty thousand dollars and I mean one hundred thousand preferred shares. Now the only group who has any money is the Government who agrees to purchase preferred shares. What about the common stock is that just taken or are the shares taken up?

HON. LESLIE R. CURTIS (Attorney General): As far as we know, Mr. Speaker, the shares are held by various people, I think there is a misunderstanding. My honourable colleague thought I was taking this Bill and I thought he was, so I brought the information along with me. I understand the one hundred and fifty has been issued for and in consideration

of the property collected from various people these various fee simple are not obtained in any one person. Seibert did not own it all himself, they were acquired from several people in consideration to shares. This one hundred and fifty thousand would represent the shares considered as paid up and not necessarily mean paid up in cash.

MR. HIGGINS: When was the company incorporated?

MR. CURTIS: Many years ago. It is not a recent company. It has been on the go quite a while.

MR. HIGGINS: There is no possibility the two hundred and fifty represents the amount of money spent in the mineral areas and the amount of work spent in the present year. You said someone has spent one hundred and fifty thousand.

MR. SMALLWOOD: That was a company with an option from the Canadian Mainland.

MR. HIGGINS: None of that is mentioned in these shares, I see. Well, now, the Government will receive six per cent of the preferred shares and ten per cent on the net profit of the company. Now, at any time within three years the Government shall have the right to require the company to convert the said preferred shares acquired and owned by it into ordinary shares of the company on the basis of dollar for dollar. In other words the Government will get one hundred and fifty dollars worth of common shares.

MR. CURTIS: No, the Company owns seventy-five dollars of common shares with the right to convert only the preferred stock and that is seventy-five thousand dollars issue, one hun-

dred thousand if we only undertake seventy-five and have the right at any time within three years to convert them into common shares and the Government would only do that if they see the proposition is such a good one that it is in their interest to do that.

MR. SMALLWOOD: If common shares are paying a better rate than preferred stock then the Government has the right to convert into common and get the higher return.

MR. HIGGINS: If you see a prospect of getting more?

MR. SMALLWOOD: Suppose they make fifty per cent or a hundred per cent profit then we having put up the seventy-five thousand should not be stuck with a mere ten per cent of the profit.

MR. HIGGINS: I see, I did not understand that. It says bonds issued shall be in such form and subject to such terms. That is a very important point, if that is an ordinary bond issue they come in as ordinary shareholders.

MR. CURTIS: That has nothing to do with conversion.

MR. SPEAKER: This is entirely out of order and anticipating committee. I know it is very important but it is a detail of the Bill which it is only proper to discuss at the committee stage. The honourable member must not take that to mean he must resume his seat.

Moved and seconded Bill is now read a second time. Ordered referred to Committee of the Whole House tomorrow.

MR. SMALLWOOD: Mr. Speaker, I am hardly ready on Number 5; I will be ready tonight—there is certain

data I think I ought to bring in. We might, perhaps, go into Committee of the Whole on Number 3.

MR. CASHIN: Is it the intention of the honourable Premier to sit to-night?

MR. SMALLWOOD: Yes.

Committee of the Whole "An Act to Approve and Give Statutory Effect to an Agreement between the Government and Canadian Machinery and Industry Construction Limited."

Clause 1—passed. Clause 2, read.

MR. RUSSELL: Mr. Chairman, since this is the whole thing, this section. It says that the agreement made over here is hereby confirmed. Let us get a proper prospectus, let us stop right here and have the agreement. It states the agreement is hereby confirmed, let us have the burial lesson read.

MR. CURTIS: I don't know whether you have the licence to bury but I am glad to let the section stand. It is probably better to read the schedule first.

MR. CASHIN: Mr. Chairman, referring to this section, I take it the company has already acquired land. It says the Company will acquire land in the vicinity of St. John's. The company has bought the land, has it not?

MR. CURTIS: The present position is that the Government acquired the land and is selling it to the company.

MR. CASHIN: Has the Government paid for the land?

MR. CURTIS: As a matter of fact the money is held pending the clearing up of the title.

MR. CASHIN: How much did the Government pay?

MR. CURTIS: Fifty thousand dollars.

MR. CASHIN: What will they charge the company?

MR. CURTIS: I presume the same.

MR. CASHIN: They have already acquired it?

MR. CURTIS: There is a bit of question about that land, there are some infants involved, that is why we had to have the amendment to the Industry Act, if infants are involved you are up against serious legal tangles and that is why we dated the Industry Act yesterday, not only because of being able to take land but to put the Government in a position to get good title. That is the only way with an appropriation Bill.

MR. CASHIN: All I am interested in is that the government purchased and when this company are in the cash they pay back the government the fifty thousand dollars.

MR. SMALLWOOD: They take possession of it not from the old owner from whom it is purchased, but from the Government, fifty acres. It extends right down to Donovan's. It is inside Donovan's. It is bounded by Octagon Lake, goes along the North side and along the highway for several hundred yards and then along the shore at the Eastern end of the Octagon and around the Southern Shore takes in right around this Eastern end and goes practically to the shore of the next pond, O'Neill's Pond. You might say it is the space lying between the two ponds from the highway back to



the railway so that we have the highway and the railway for transportation.

MR. CASHIN: And the Railway is on that side?

MR. SMALLWOOD: On the South side and the South side of O'Neill's Pond. They are building from the highway back to the railway covering about thirty acres with two rows of buildings from the highway back to the track with a spur line from the Canadian Railway running between the two rows out practically to the highway.

MR. CASHIN: How much money has the Government already advanced to the Company?

MR. SMALLWOOD: One hundred and seventy-five thousand already advanced.

MR. CASHIN: Apart from this fifty thousand?

MR. SMALLWOOD: That is the one hundred and seventy-five thousand the company got for carrying on its work. Anybody can go in there and see the work, they are clearing the ground and trucks are going in there daily with steel girders and the like.

MR. CURTIS: I would say the scale was calculated on the frontage, there are some roads running through and we had to consider there is more frontage—

MR. SMALLWOOD: The building itself in there was certainly worth twenty-five thousand.

No. 2 of Schedule read.

MR. CASHIN: Now that does not give them working capital.

MR. SMALLWOOD: What does not?

MR. CASHIN: Here the Government will lend or cause to be lent to the said company the sum of \$2,500,000 which amount is to be available at all times and in the manner hereinafter appearing and is to be fully expended in the erection of the said building and the provisions and installation of the said plant.

MR. CURTIS: I think my honourable friend is right and —

MR. CASHIN: Don't let them go short because that would be an awful calamity. Give them another million while you are at it.

MR. SMALLWOOD: How can that be remedied?

MR. CURTIS: I think it can be remedied. A half million dollars for machinery and the plant will cost a million and a half and there is a half million dollars left. I think if the honourable members will look at the United Cotton Mills Bill also before them, look at No. 3 and they will see they have added the words "and in providing working capital for the company's operation." We can amend the agreement by putting it in clause, (a). It is agreeable to amend it because it is definitely in the interest of both sides and it clarifies a point which might save an amendment. I would let that clause stay as it is.

MR. HIGGINS: When the whole plant is ready for working it will cost four million, and one million is necessary for working capital.

MR. CASHIN: They will need it if they spend four millions on the plant.

MR. SMALLWOOD: The two and a half million we guarantee for them is to be spent for payment of duty,

trucking the stuff in there, erecting the plant, clearing the land, installing the machinery and the working capital—definitely the agreement omitted to refer to working capital and we have to add it to that section.

MR. CASHIN: On those other industries we loaned money to fisheries companies at three and a half per cent or guaranteed bank loans amounting to the same thing, we loaned money too and the Canadian Government, I think, loaned money at three and a half per cent. Now, I think you are going to establish a precedent right here, go into the loan market tomorrow and it is four per cent in your agreement. You are going to sell that loan at four per cent establishing a precedent. I would suggest in consideration of that the Government put it in at three and a half per cent.

MR. SMALLWOOD: Then we can't go over it.

MR. CASHIN: No, but I am saying this, and I think you will agree with me. You have four now, they are going to work on four and that will be floated at four because they will go and advertise for a loan for bids—you won't do it—they will go into the markets and offer that to some broker, Harriman-Ripley or Wood Gundy or Nesbitt tomorrow then whoever it is. It says here it is four per cent, here is the legislation, well then how much should they or should they not get for a loan, a bare four per cent with a province only \$10 a head in debt Provincially, it is much more Federally. The thing is if you get three and a half per cent, I think you should get par for that then and if our financial position is as sound as we think we are and everyone thinks we are, we have certain cash in the Treasury which you have

loaned, some of it, to private interests before this present Government came in and which you have guaranteed at the bank at three and a half per cent, now you are guaranteeing four per cent, that may not mean a lot, the half per cent, but it will establish a precedent and if you are able to raise a loan at three and a half per cent, money is not so plentiful as it was years ago when there were five and six per cent on bonds issued. I just suggest you could consider making it three and a half per cent because if you leave it four it will rise to five, that is the companies' business, they are going to the bankers, and here we have legislation coming from Newfoundland. The Government won't have anything to do with it. It is not as if the Government were raising a loan, these people can go to banking interests or individual bankers and get that money.

MR. SMALLWOOD: Mr. Chairman, they have to pay the interest when they borrow the money so they will be at least as interested as we in getting it at the lowest rate at which it can be gotten. They are interested in as low a rate of interest as they can sell their bonds at. Now, there are two main factors that determine the rate of interest on any bonds, in any given case, one of the two is the credit standing of the borrower or in this case the Government of Newfoundland. If the Government can back the bonds as to principal and interest they are virtually government bonds and the credit standing of the Government is in question, and that is one factor. As my honourable and gallant friend pointed out I did say our credit standing is good and from that standpoint the rate of interest ought to be attractive from the standpoint of the borrower. But there is

another factor of at least equal importance. Money like anything else is subject to the law of supply and demand, as my honourable friend has frequently said in this House as recently as only yesterday. What can money get? A man may say, sure, your credit standing is excellent and you should get money at three and a half percent but I am not interested, I can get four and a half percent, and I prefer to have the four and a half. You are a good risk but nevertheless I can get four and a half percent somewhere else and still have my principal safeguarded. Money competes, bonds compete, there has been an upward trend in the bond market, my honourable friend must be aware of that. It is perfectly true interest is lower today than it was years ago but it is equally true they are higher today than they were months ago. Cheap money has ceased to be. In recent months there has been a deliberate planned campaign on the part of the Government of Canada and the banks of Canada to drive the cost of money up and the same thing exactly happened in the United States and in Great Britain; money with low interest rates is passing and the interest rates are rising. Now, one of the best rates recently secured was secured by the Province of Manitoba on a ten million dollar loan direct debt contracted by that Province, they sold at eighty-seven and three quarters or something which is a very good rate in the recent six months and three and three-quarter percent and the whole thing to yield one and seven-eighths percent. A fraction under four percent is one of the best rates at which bonds have been sold anywhere in Canada since the 22nd of February. Now, they were not sold in Canada, the Canadian bond market at the moment is completely dead,

that is why all recent finance of any importance by independent companies has to take the form of convertible debentures, that is to say four and a half and even five percent bonds are issued with the convertible feature. That is to say common stock of such companies which were paying more than the bonds were drawing by way of interest, the holder of the bond could convert to common stock, convertible debentures and the only real private financing done in Canada this year anywhere since February has been done by means of convertible debentures, ordinary bonds in Canada are practically unsaleable in Canada today and have been for months past. Such bonds in Canada which have been sold apart from convertible debentures have been sold in the United States where the rate is rising gradually because in the United States they use the policy of raising rates to prevent running away in the markets. That is why we must in this legislation if we mean business, we must guarantee the bonds so they can raise the two and a half million, we must be prepared to guarantee at a rate at which they can sell otherwise they don't get the money and our guarantee becomes useless.

Now, one final point, my honourable and gallant friend suggested that the rate at which we set the maximum becomes the minimum. That does not follow. They have some hundred and fifty companies in the United States engaged in the business of selling bonds, bond houses, we are not dependent on any one bond house or we are not depending on any one, two or a dozen, we don't advertise any company and an independent company does not advertise, they contact various bond houses and say, here can you place two and a half million

dollars of our bonds, they are guaranteed as to principal and interest just as though the Newfoundland Government were borrowing this money, they have the Government guarantee. They say yes, well at what rate? We wish to sell them at par to yield no more than a certain figure. Three and three-quarters, three and five-eighths, three and seven-eighths perhaps four and four and an eighth because as my honourable friend knows these interest rates are split into eighths and even into tenths. So the thing has been carefully thought out and I think perhaps on second thought my honourable and gallant friend will see why we must set a figure here whereby if the need did arise they could float a loan but their own interest will be to get the bonds at the lowest rate possible. They have to pay interest.

MR. CASHIN: Even they might do it this way, I quite agree they might get more than two and a half million dollars.

MR. SMALLWOOD: Not guaranteed by the Government.

MR. CASHIN: They might go say to Harriman-Ripley or Wood Gundy or some big outfit and sell their bonds for a hundred and get a hundred and one for them that would be yield at four percent, now they would make that one point on two and a half million dollars which goes to the directors of their company, that would be twenty-five thousand dollars they would make there over and above and if they made twenty-five thousand dollars it would be nice business.

MR. SMALLWOOD: They are more interested in making machinery.

MR. CASHIN: I know but they are interested in making money and

if I were in the bond business tomorrow; I would think they would get more if they could get it but it does not come into the Newfoundland Government any more.

House recessed until 8:00 of the clock.

#### NIGHT SESSION

Committee of the Whole, "An Act to Approve and Give Statutory Effect to an Agreement between the Government and Canadian Machinery and Industry Construction Limited."

Schedule read.

MR. CASHIN: Here is the point again of working capital.

MR. CURTIS: I am going to propose an amendment to that clause. Before we are called upon to pay the two million dollars the company has to have a working capital of five hundred thousand. In other words they have to put up two and a half and we put up two and a half. But this five hundred thousand is working capital. Well, they will have a million dollars capital if the plant does not cost more than four million.

MR. CHAIRMAN: Will honourable members please rise to address the Chair.

MR. CASHIN: Assuming the company has not the shares by the end of 1951, the contract is null and void.

MR. CURTIS: Unless this House extended it.

MR. CASHIN: This House won't be in session.

MR. RUSSELL: The Government will extend it and ratify it afterwards.

MR. CURTIS: If they have a good excuse.

MR. RUSSELL: Why does it say, "will require" instead of "may require"?

MR. CURTIS: The reason for that, Mr. Chairman, nobody wants to embarrass the Company if we give the cash we take the mortgage, but if they wish to float a bond issue they will have that security.

MR. CASHIN: You mean raise the bond issue on the credit of the Government, there will be no mortgage and if the bond holders have to foreclose before this happens the government will have to make good the bonds or liquidate the company.

MR. CURTIS: A double option, the company when going to raise the bond has a government guarantee but may at the same time negotiate debentures? If so it is fairly possible the whole thing might be done without calling on the Government at all. On the other hand the Government may hold the mortgage and let them raise the bonds, but my feeling is it will be a mortgage debenture?

MR. CASHIN: It is just possible they may not be able to raise a bond issue and the Government may have to advance the cash.

MR. RUSSELL: It has to happen sometime.

Section 9 read.

MR. CASHIN: Four and a half per centum is too high. I understood from the Government it was four.

MR. CURTIS: No, they pay us four.

MR. CASHIN: That means the bond issue will be four and a half percent.

MR. CURTIS: That is possible.

MR. CASHIN: It will be that is the quickest way to get the money, four and a half or four as a matter of fact I think we should make it four percent.

MR. CURTIS: I think it would be foolish to make it four.

MR. CASHIN: If the Government were raising a loan themselves tomorrow, to put it in that legislation going through certain interest charges they would be willing to pay identically at four percent. These people are not going to go out and look for four when we can sell them here at four and a half.

MR. SMALLWOOD: They have to pay the interest and naturally they themselves want to keep the interest as low as possible. They have to earn it and pay it out of profits.

MR. CURTIS: And if we raise it to four and a half they may get a premium on the loan.

No. 10 read:

Clause two of the agreement was allowed to stand, it has been read.

MR. CURTIS: I think, Mr. Chairman, we ought to pass Section No. 2.

Section No. 2 passed.

MR. CURTIS: Now before Section No. 3 as read, I would move that Section No. 3 be made No. 4 and a new Section No. 3 be inserted. (New No. 3 inserted).

If the five hundred thousand is not to be spent until the completion of the plant how can it be spent as this paragraph specifies in the erection and installation. The amendment suggested would implement two million of which one would be used before. The reason is to assure some money is

advanced by the Newfoundland Government not leaving the country but all is to be spent here. That is the reason for that there.

MR. RUSSELL: Mr. Chairman, I am not quite clear on this but in connection with the point raised by the honourable member for Ferryland, commented on by the honourable Minister that four and a half percent—there is a difference of opinion on that but do I understand that it is possible for the company by offering four and a half percent to sell the bonds at premium, one hundred and one or two or three and thereby raise more money than needed and put some into their own coffers. Now if that is so and we are still maintaining the risk that the Newfoundland Government may have to make good four and a half instead of four, that does not strike me as being ideal policy. Has the Government any way here of taking interest in on four? Of course if it is secure the Government will never be called upon to make good any of the principal or interest and if the company is foolish enough to offer ten percent it would not matter if they had to pay it all themselves. But as it is well known, I don't share the optimism of every body in the future of this company and I don't like to contemplate the company making a quick clean up immediately. I don't know whether it could or not but it has been suggested it might and it has not been contradicted. I don't like the idea that they can make a quick clean up of some thousands of dollars by having bonds sold at premium and at a higher rate of interest than is necessary. We may be stuck later on with the interest.

MR. SMALLWOOD: Mr. Chairman, really it has been of course part

of my job to follow the bond market and interest rates very carefully and closely for two years past. There is never a solitary week that I don't get a report of bond issues, school bonds, city bonds, provincial bonds, federal bonds indeed and commercial bonds throughout Canada and all the Provinces and in the United States, in England, I have to follow the bond market so that is just a part of my job, there is no particular credit or discredit due me, it just happens to be part of my job. Now, when you talk today of four, four and a quarter or four and a half per cent interest you are not in the position you would have been in even six or ten months ago, when talking these rates. The bond market has gone up, it is going up. It will continue to go up because it is the deliberate policy of the government to drive it up, that is the whole purpose of the invitation, we will call it, of the Bank of Canada to all the chartered banks of Canada on the 22nd of February, their invitation to the banks which is the same thing as an iron clad rule or order. The Bank of Canada disliked the use of the word directive, they preferred the word invitation, for the banks to make no more long term loans beyond one year. In a variety of ways the Government of Canada and the United States who of course have the control of the Federal Reserve Bond system can in consequence force interest rates up, putting an end to the policy of cheap money which has been prevalent ever since the war ended, all with a view to preventing runaway inflation and when we talk today of four and a half per cent interest upon bonds we are in quite a different position from what we would have been in a year ago or three quarters of a year ago when three and a half per cent on government money and provincial

bonds was normal, when all the chartered banks here in Newfoundland gladly accepted the government guarantee of loans which they made gladly to various Newfoundland companies, gladly made and indeed one particular bank who as it happened had not received any of that business, came to me and asked, what is wrong with us we don't get some of this business you are guaranteeing? I said certainly you can have the next one that comes up, you are all in the banking business and all four of them gladly accepted our guarantee to lend money at three and a half per cent. That applied until the 22nd of February but not today, bank loans have gone up, interest has gone up, anyone who follows the market knows that, my honourable friend knows that if he follows the bond market, knows they have gone up, ask Parsons and the various local bond houses, they will tell you the same thing, bond rates are going up.

Now, take this Bill; we don't know exactly when we will float that issue some time this year, we don't know exactly where we will float it, in Canada or in the United States or in what Province or what State it might be, it might be in New York. We cannot possibly know at what rate we will sell the bonds; remember Newfoundland has not been in the market anywhere in the North American markets for fifteen years or longer. When was the last time Newfoundland went into the North American market? I think the last time was when we tried and failed, when Squires tried to float an issue and no one would come up, in 1931. Not since then have any bonds been guaranteed by the Newfoundland Government.

MR. CASHIN: The Commission of Government floated one.

MR. SMALLWOOD: Here in Newfoundland, not on the Continent of North America. The last was in September, 1931, and it will be most interesting to see what happens when Newfoundland returns to the financial markets on the Continent of North America. We have a debt of \$10 a head, one of the lowest in all North America. I heard of one American State which has no public debt, none relatively, probably ten or twelve dollars a head, I don't recall what state. Newfoundland has a debt of ten dollars a head and the next lowest is Quebec with eighty dollars a head and New Brunswick is the highest with two hundred and forty dollars a head. Our credit standing should be excellent but we have never put it to the test since 1931 so that it is only common sense to put a maximum and to put it high enough to be realistic when we know what interest rates they are in Canada and the United States in the last six or nine months and when we know the trend of the market.

Halifax City floated a bond issue three months ago at four and a half per cent. New Brunswick floated a loan of five million four or five months ago and no one would underwrite them, no bond house in Canada, no combination in Canada would underwrite them but they agreed to take the issue and tried to sell it and it took them months to work off the five million dollars. At what rate? 4.36%—almost four and a half per cent. That was three or four months ago. So we don't want the interest rate to be any higher than it must be. The Canadian Machinery Company who have to pay it don't want it any higher than it must be. It is in the interest of all concerned, Newfoundland and the Company, not to pay one

fraction of a unit higher than the lowest rate at which the money can be raised.

MR. CASHIN: If the Bank of Canada has been invited and these other banks to hold in on loans and drive up the interest charge on bond issues we know it drives them up so high that it is going to be impossible to raise it. Where are we coming off if those people go into the bank and the interest is going up, they may not even get par for this one if the bond market is going up. If it is so difficult as it has been in Canada to raise money, probably we will have to go to the United States and they are driving up there in federal reserve bonds and it is going to be tough. Now, if you have new industries to go in one after the other where guaranteed bonds are being issued or debentures we are going to have difficulty in getting it and the Government itself has not sufficient cash to continue giving them the cash. They have not got it up to twenty million dollars, nineteen million dollars in cash is all they have and that would soon be eaten up and at this juncture I hope, Mr. Chairman, it would not be out of order to ask the honourable Premier or the Attorney General, with all those interests we are going to vote on within the next few days, how many millions of dollars does it involve in the way of guarantees. Can you give me any indication as to what the total will be right now?

MR. SMALLWOOD: I would say that if we add up all the industries that are mentioned in the legislation presently before the House and all the other industries that we know we are going to have but which are not yet before the House, all of them will involve a total of about fifty million dollars. Now, of that fifty million it

involves about fifteen thousand jobs, in employment.

MR. CASHIN: Never mind the jobs just tell me how much money.

MR. SMALLWOOD: If the honourable member will allow me to give the information in my own way and not in the honourable and gallant member's inimitable fashion, but in my own inimitable fashion: Of that fifty million in these various industries employing fifteen thousand Newfoundlanders it is proposed by the Government in this House to the people of Newfoundland that the Government would be justified in assisting them to the extent of half the liability, twenty-five million dollars. That we would be justified in guaranteeing bonds of these companies in the aggregate of twenty-five million dollars. Now by simple reasoning we guaranteed ten million dollars in the case of the Humber Industry way back in 1923 when our population was two hundred and forty thousand people against three hundred and seventy thousand today; when our total revenue was eight or nine million dollars against twenty-five or twenty-six millions today; when our economy was as weak as water compared with today, we guaranteed ten million dollars taking a second class mortgage with a view to employing three thousand people, twenty-five hundred part-time men in the woods and five hundred full-time men in the mill, some three thousand people. Now, by a simple inference we would today be equally justified to say the least, today, 1951, at least equally justified in guaranteeing bonds up to say three times what we did do and were so well justified in doing in 1923 for the employment of about fifteen thousand people taking not a second mortgage but sole mortgage in 1951.



Now, that is how to approach it, that is just one part of that whole.

MR. CASHIN: What I am trying to get at is this, is the legislation coming in in this session?

MR. SMALLWOOD: As fast as we can get the agreements prepared and legislation prepared as we are doing it, and will.

MR. CASHIN: During this present session?

MR. SMALLWOOD: My own hope is that it will be well before Christmas so that we can all go home, if we have a white Christmas especially, that all the legislation will be passed so that by the Spring of next year all the industries will be at least in the course of construction, some of them will be in actual production.

MR. RUSSELL: May I comment on that answer because I am rather surprised at the Premier—he is contemplating fifty millions; what does he mean by that? Is he counting this two and a half million? But it is contemplated they will be expanding and in the case of this one company we might be involved to the extent of a great deal more than two and a half million.

MR. SMALLWOOD: No.

MR. RUSSELL: That will just do until next July, that money will be spent, a bond issue, let us say, raised and our loan that we paid a million dollars working capital but what are they to do, are they going to issue their own bonds?

MR. SMALLWOOD: I would not say we do not propose to help them any more, I would not go that far, if they prosper and succeed and come to us with a proposal for further fin-

ance, I think we would unquestionably receive them in the best possible spirit.

MR. CASHIN: Sympathetic.

MR. SMALLWOOD: Now the intention is to plow all profits back into rapid expansion, every spare dollar that they can lay their hands on will go at once into further expansion of their own plant. Suppose my honourable and gallant friend, the member for Ferryland, owned a vast plant employing eight thousand men, one plant, and suppose bombs came over here and he had the plant at Donovan's.

MR. CASHIN: I would have a dugout.

MR. SMALLWOOD: They came over and demolished the plant ninety per cent and what was a vast plant is now an almost incredible network of steel, distorted girders and that sort of thing, and my honourable and gallant friend when that was ended with almost superhuman effort rebuilt that vast plant so that it was even better than it was before and then my honourable and gallant friend took careful note of what was going on in the world and began to ask himself if having rebuilt this vast plant and having gone to great expense to get it rebuilt, am I content now? So he looks around the world and sees the state of affairs and asks, "Am I building it there for someone else? Am I continuing this only to provide someone else with a fine new plant or property to come out some morning and see once again a mass of twisted steel and wreckage?" And then if my honourable and gallant friend said, "Well, I think I will move on to Europe and start a branch factory there while I continue my plant here, start a branch in Europe, that will be the safest place to be if anything happens again." If he started

that plant would he not use all of his ingenuity to expand that plant just as fast as he knew how to do it so that when he had to start running, if he concluded that he would one day have to start running, he would have something to which to run? Now, that hypothetical case has nothing whatever to do, has no bearing whatsoever on this Canadian Machinery Company, it is purely hypothetical and it is a case that does not apply to any of these industries but it is an interesting thing to think about.

MR. RUSSELL: Mr. Chairman, we have been told that this plant as envisaged here now with this two and a half million dollars guaranteed will employ about five hundred men and that when, I may be wrong now, within a very short time probably one year or two, it will employ five thousand and I might say very rightly. In discussing this Bill I can assume that starting next year after the first of July when the first phase is completed, rather than wait and let it expand on its own no matter how rapidly it could do so we would be prepared to accelerate it by additional guarantees. I always thought of that kind of steel mill surely as costing twenty or twenty-five million itself. Therefore I am greatly surprised at the estimate that it will not take more than twenty-five millions of dollars for the whole programme.

MR. CASHIN: I was interested in the Premier's remarks in connection with this. It is obvious who are the people behind the scheme which the Government has in mind, and it is really too bad that it is because of fear of another war that these industrial developments are taking place here in Newfoundland. These people in Europe got scourged during the past war and smashed up and

they visualize Uncle Joe coming on them now and want to get out and have other businesses in another country and come out here to establish these industries and the industries are based on the possibility of another and probably the final war of all if it comes at all. Assuming we don't have this, if we imagine we have come to the stage where we can have peace in Europe and firm peace, will those people still want to come over here? I don't know, that is to be found out. In other words we are going into this industrial development because of the fear of European industrialists that they will be wiped out in case of another war in Europe.

Now, the second point is this, we are going to guarantee twenty-five million dollars with all the industries by the time this House closes this session. Now four and a half percent, would it not be good business tomorrow for the Government—this is only a thought, I have not examined it closely—but would it not be good for them to go into the market themselves and see what they could raise, a loan of twenty-five million, see if they can get it at three and a half and reloan it at four and a half. If the bond market is going up they would make a quarter of a million at one percent.

MR. SMALLWOOD: It is a good thought, it has been in other minds than my honourable friend's.

MR. CASHIN: It has not been discussed in here. Would it be good business for the Government to do it? These are points that could be discussed. If the bond market is going to go up, if this war carries on it will and if it is going to continue there will be no industrial development because bond issues will become too

expensive, and it is not going to try to develop because money will be too expensive for the industrial equipment. Today steel and equipment are way up and if you wanted to build a five hundred ton paper mill today it would cost fifty millions whereas twenty-five years ago it would have cost thirty-five million dollars. And your bonds have gone up. In those days we raised bonds at two and a half percent, everything has gone up today, labour is up and everything else. I am only trying this out. We know now we are going to guarantee twenty-five million dollars when it is all added up. Twenty-five million dollars we are to be liable for when the doors of this Legislature closes in the very near future. When Mr. Ripley comes down, get his opinion on it.

MR. SMALLWOOD: It might interest the Committee to work out a little table. Perhaps some honourable member who is quick at figures might take a pencil and paper and work this out. I don't know who is quick at figures here, I think the Minister of Education is more for classical education than mathematics. Fifteen thousand workers at two thousand dollars a year. \$30,000,000. Somebody put that down. Now jot down five thousand people who would benefit, who would inevitably get employment in auxillary trades and services as a result of fifteen thousand getting new jobs. This follows automatically, taximen and barbers and hotel workers and office workers and bus drivers and heaven knows what. At five thousand, that is another ten million—\$40,000,000.

MR. RUSSELL: Some of that is in the first thirty. When a man earns two thousand and gets a haircut and

gives a barber fifty cents, it is the same fifty cents.

MR. SMALLWOOD: Yes, it is another fifty cents if the fifteen thousand people drew their pay Saturday night and put it in tin buckets and buried it in the earth that would be the end of it, but if it is spent to employ others, that makes five thousand people, \$40,000,000. Let us see what the Government would get. We will forget altogether the happiness brought into the home of fifteen thousand Newfoundlanders by having a chance to work and earn good money, what that means to their children, let us forget that, let us be calculating now and not look at it from that standpoint, but only from the standpoint of our Treasury. We used to argue here in the National Convention whether Newfoundland was self-supporting or not and my honourable and gallant friend from Ferryland was the champion of the view that we were self-supporting, which could mean only that the Treasury was self-balancing. Some of us argued that the Treasury could be making a surplus every year and Newfoundland not be self-supporting at all. But now I will join with my honourable and gallant friend and take a narrow view of the Treasury forget the fifteen thousand Newfoundlanders with new jobs which did not exist before. Let me deal with it. Forty million dollars paid out in wages: The Social Security Assessment is 3% with food exempted. It is not collected on food. Let us say that of the forty million it would be collected on twenty-five million, which is how much? \$750,000. Three quarters of a million dollars. Now on gasoline, taxi drivers' licences, motor vehicle licences, let us put it down at a modest \$500,000, that should

be one and a quarter millions coming into the Treasury. Now, I regret to say that some of these fifteen thousand people who are working will take an occasional bottle of beer and I regret more to say that some few of them will have an occasional bottle of hard liquor whereas an occasional chap like myself will content himself with a glass of wine. It is fairly general knowledge that the sale of beer, liquor and wine is fairly profitable.

MR. RUSSELL: What does it cost to buy?

MR. SMALLWOOD: My honourable friend ought to know better than I what it costs, I rarely buy any, I could not tell you today what it is.

MR. RUSSELL: How much does it cost in the markets?

MR. SMALLWOOD: I have not the figures, but there is a rumour the sale of liquor is fairly profitable, so we might put down just a modest sum of a quarter of a million dollars a year revenue to the Government under that heading which would make it, I think, a total of one and a half million dollars. Now, it is true that, as my honourable friend the member from Bonavista South remarked today, we would not get any of the customs revenue, they would go to the Government of Canada, we would not get corporation and individual income tax because they go to the Government of Canada but we would get the revenue I have just outlined, I don't think there is very much room for argument about that, we would get that one and a half million dollars cash into the Treasury. Now, let us estimate the cost. Twenty-five million dollars at five percent interest and sinking fund, one and a quarter million dollars for us, to guarantee

bonds for twenty-five million dollars worth of bonds to these various companies, it would cost the Treasury, if it has to pay all the interest on all the bonds and it is a fairly sweeping assumption that in all those cases that they would all fall back on the Government for all the interest in every case, every year, that is a fairly sweeping assumption, but I am going to assume that to make the worst possible case I can imagine. There is one and a quarter millions a year in the Treasury, which is one of the least important things in Newfoundland. What is important in Newfoundland is that people should be working and earning a living, building homes, rearing families, keeping up their churches, their towns and leading good wholesome lives. That is important, not the Treasury, the Treasury is incidental in Newfoundland life but even the Treasury would be better off by a quarter of a million dollars every year on every one of these industries if successful.

MR. CASHIN: What about the principal?

MR. SMALLWOOD: That could go on and on indefinitely, as my honourable friend knows. Now, it would be more than a quarter of a million as I have deliberately left out something there, there is a difference of opinion here between a certain honourable gentleman and myself who have discussed the matter. I hold that if amongst those fifteen thousand men or twenty thousand men who get jobs to earn those forty million dollars that amongst those people are thousands of men who with their wives and children would otherwise be on dole and that a dollar saved is a dollar earned, that if you are at one moment paying out half a mil-

lion dollars cash for dole and in the next moment are not paying it out but instead receiving money in from the very people to whom a year ago you were paying it out, I hold that it is just common sense to credit that half million as well and we have paid out as much as two million dollars a year in dole within the past three years, in one year. In this very year 1951, with Newfoundland almost up to her armpits in prosperity, we will pay out the best part, the honourable Minister is not here, but I believe, something of the order of a million dollars. So that if you save half a million you can put that on the credit side as well and that is an income of two million and a quarter into the Treasury we can have actually, and as I have said which is two million on the credit side of the Treasury ledger and if we have to pay all the interest for all the industries every year it will cost one quarter of a million and we would be three quarters of a million better off. Now at what point, if my argument is sound, at what point would you stop, having done that in respect of fifty million investment of which we guaranteed half, twenty-five millions? With that result would you not feel encouraged to repeat that, to double it, to get another fifty million invested in Newfoundland guaranteeing half, another twenty-five million and have another fifteen thousand employed and in auxiliary trades and services another five thousand and another forty million in wages paid out in Newfoundland? How else does a country grow? How else do you get genuine prosperity? How else does any country forge ahead? I know no other way. We can decide that we will take a hundred years to do this but long before the hundred years are over our people will be writing

letters back to us from foreign countries saying, don't be so foolish as to stay on a sinking ship, come up here to a Province growing and going ahead. That is the dream I have. My honourable and gallant friend probably thinks it is a nightmare but that is my dream. That is my dream—

MR. CASHIN: They sometimes come true.

MR. SMALLWOOD: They are more likely to come true and we are willing to work seventeen and eighteen hours to make them come true then despite pessimistic and cold blooded objectivity of those who won't lift a hand but reserve carefully the right to analyze and criticize, I am not referring to my honourable and gallant friend but the maxim is; whom the cap fits he must wear it. It is a dream that can be made to come true and that is the dream that is coming true in Newfoundland today, believe it or not, we are on the march and all the king's horses and all the king's men will never put the old humpty dumpty back together again. We are on the march here in Newfoundland.

MR. RUSSELL: Do I understand here, Mr. Chairman, coming back to this Bill, that it is two and a half million dollars we are asked to guarantee which will put five hundred men to work or five thousand, which—

MR. SMALLWOOD: At once five hundred, and starting, the powder train that will end with five thousand.

MR. RUSSELL: It is envisaged that we won't need to guarantee any more money than this to get the five thousand?

MR. SMALLWOOD: I will not go so far as to say that.

MR. RUSSELL: Because if this two and a half million guaranteed will only put five hundred men to work it is going to take another twenty-five million to put 5,000 men to work so that all the figures just given are really too small. Now I know you can't assure me, but if that is all the two and a half million will put to work, one needs to be objective in those calculations and they are all wrong.

Clause carried.

The Committee rose and reported having passed the Bill with some amendments. Ordered to be read a third time on tomorrow.

MR. SMALLWOOD: Mr. Speaker, might we refer back to the Address in Reply, I don't propose it should be completed tonight because my honourable and learned friend the Leader of the Opposition has to attend a meeting of the Law Society in the earlier part of the evening and I understand addressed himself to that subject. Would some honourable gentleman move the adjournment or perhaps it is his wish to speak now?

MR. JANES: Mr. Speaker, following the custom, Sir, I also wish to congratulate the mover and seconder of this motion as well as the other speakers who have spoken. I have listened very attentively to them in the hope perhaps of learning something new in their criticism of the Speech from the Throne, which has been a criticism of the industrial development of Newfoundland. The arguments that have been used by our friends opposite have revolved around the principle as to whether we should do this or whether we should not do it. The junior member for St. John's East, I have copied

down what he said, and these are the main points of the things they did have to say: He is against the principle of industries because it is a departure from our way of life. Now, Mr. Speaker, we are a rural people, a fishing people, most of our people are in rural communities, not city dwellers but is that any reason for failing to attempt to industrialize Newfoundland? There was a time surely when all people lived in caves and when they came out and started to till the soil they did not stop there. Our friend from St. John's East, the honourable member, would have us stay in fishing boats and on the land and he does not want to depart from the wonderful life we have here in Newfoundland. It would not be so bad, he says, if we were to go ahead with these provided the Government did not come across with fifty percent Mr. Speaker, once we established the principle twenty-five percent is the same as fifty, seventy-five or one hundred, the principle is either it is right or it is wrong. The honourable member's use of twenty-five percent was a mere excuse for saying, I don't want to be quite wrong, it might be all right, the only thing about it he could change was the percentage but twenty-five or fifty percent is the degree of necessity. Necessity must be the determining factor of that.

The honourable member for Bonavista South is neither for nor against, which was what I expected, what this House expected; a man cannot be neither for nor against, he must be either one or the other, because he is against it, he voted against it in this very Chamber. He has told us he is tone deaf to enthusiasm of the Cabinet.

MR. RUSSELL: Point of order, Mr. Speaker, are we discussing yester-

day's debate, another motion altogether or the Speech from the Throne?

MR. SPEAKER: I was not quite clear.

MR. JANES: I said, Sir, the honourable member stated in this House he is neither for nor against industrialization.

MR. RUSSELL: You are neither right nor wrong.

MR. JANES: I am right and I repeat, Mr. Speaker, a man cannot be neither for nor against, he must be one or the other, but he won't make up his mind, sits on the fence, tone deaf, he tells us, to the enthusiasm the Government has towards the problems of this country, so tone deaf—he told us a year ago we would be bankrupt but we are not yet and there is no sign of it yet. Tone deaf, Sir, to the cries of generations of our fishermen who have gone down to their graves leading frustrated lives.

MR. RUSSELL: That language is most insulting, Sir, and surely unparliamentary.

MR. JANES: You are tone deaf to the industrialization of this country.

MR. RUSSELL: Mr. Speaker, will the honourable member kindly restrain himself.

MR. SPEAKER: When a debater in parliamentary procedure talks, the invariable rule is that the use of the personal pronoun is decidedly out of order. If the honourable member for Fogo reads in the remarks of the honourable member for Bonavista South something he never intended and if objection is taken on the meaning of the words, I am sure the honourable member will not insist that words were used which the honourable member says he did not use.

MR. RUSSELL: He is saying now, Mr. Speaker, that I inferred a thing which he has no right whatsoever to say.

MR. JANES: Mr. Speaker, the honourable member for Bonavista South is tone deaf, he told us, to enthusiasm with which the government approaches the problems.

MR. RUSSELL: I said no such thing. I said I am tone deaf to the song of enthusiasm. He is misinterpreting me and will later on if he is allowed to. I am tone deaf to the voice of enthusiasm.

MR. JANES: Well, Mr. Speaker, the enthusiasts are the Government of Newfoundland, it was directed at this Government.

MR. RUSSELL: I am tone deaf to him.

MR. JANES: To the programme of government industrialization.

MR. SPEAKER: I cannot be asked to decide the degree of deafness of the honourable member.

MR. RUSSELL: He has to discuss something, Sir.

MR. JANES: Again, Mr. Speaker, he is also considerably perturbed that the Government of Newfoundland were paying the passage of these men coming here. I don't think, Mr. Speaker, he actually meant their passage from somewhere in Europe to this Province, I don't think he actually meant that. I tried to read into his remarks what he did mean and what he conveyed to me is this: what he was conveying to this House, Mr. Speaker, was that the industries that come here, the Government is paying their passage into industrialization. That is what he meant by what he

said. The fishermen, he said, the fishermen of Newfoundland—I will ask the honourable member this, Sir, is it any more for the fishermen of Newfoundland to pay the passage of European industrialists to Newfoundland than it is for the fishermen of Newfoundland to pay the passage of Arthur Monroe and anyone else to New York to find markets for fish, what is the difference in bringing them here to Newfoundland, Europeans though they might be? I am not concerned whether a man is European or whether he is not, I am glad to have them here. It was not the Anglo-Saxons who developed the United States of America or turned it into industry, but the Europeans, the refugees of Europe with their technical skills and arts and culture did it, and in Canada, just as it is being done at this moment, and not unsuccessfully, and the Provincial Government of Newfoundland are accepting the principle of helping industries to be established by providing guarantees and bonds. There is nothing new about it, it has been going on for the past fifty years and if we are going to lament the enthusiasm—was it not the enthusiasm of the Government of the day in this House that brought about the Humber? Was it not the enthusiasm of Sir William Coaker who brought about the Fishermen's Protective Union? That was sheer enthusiasm and nothing but. Was it not enthusiasm that built the Fishermen's Protective Union? It certainly was not dollars. I see nothing wrong with the enthusiasm with which the Government has approached the problem of industrialization. I don't think, Sir, the Government can be too enthusiastic over these fifty-eight thousand blue-prints, but I believe I am correct in saying, Sir, in 1918 after the last war when the Allies occupied Germany

many thousands of blue-prints were taken by the Allies and brought to Great Britain and the United States and to the detriment of German industry, perhaps they deserved it, they probably did but history is the best judge of that. That did not happen this time. There was a new process used for these fifty-eight thousand blue-prints and we have something on this side of the Atlantic we did not have after the last war when they were carried to the United States and Great Britain, and with their technical skill and ability they will bring some to Newfoundland. If they bring in the worst they have, it will be better than we have because we have nothing at all but generations of frustrated fishermen going to their graves after leading frustrated lives. Seems people think to get out of the country is the answer to it and unless something is done there will be no one left to us except a few employed by Bowaters and A.N.D. Company. It has been going on for generations, all the young men and women will be going out of this country and if I don't see some future I am going to follow and follow quickly.

MR. RUSSELL: We will miss you.

MR. JANES: The honourable members of the Opposition said here in this House that industrialization was questionable because we are risking the ability of future generations to be able to pay for it. Suppose all this folded up, suppose the Government had to make good on every bond issue, what is going to be the ability of the future generations to make good on it, because as I have just said right now, Sir, unless we get it there will be no future generations and it is just as well to make up our minds to that.



In dealing, Sir, with a matter the other day, the honourable member for Bonavista South—you know he tried to apply a logic to this which seems very simple, he used simple words, I admired him for it, I liked it but sometimes it gets so simple that it becomes foolish. If in our midst a textile plant was to be established he would be all in favour of it. If someone would show him how they could manufacture a shirt for two dollars and sell it for three, then that is a good project and it would be all right to go ahead; I am no economist and make no pretense to be, yet that was to be a good project but since he was not shown that, he had to be against the whole method which we are using now to put the industry here. He wanted more information, all the information it was possible to give him, he wanted the cost and all the cost of marketing to be brought in and then who was going to interpret them? It has to be interpreted. Supposing that was done, Mr. Speaker, supposing the cost and manufacturing of a machine plant were brought in here and there was nobody in here who knows anything about machinery, not the first thing?

MR. CASHIN: That is the trouble.

MR. JANES: Having done that and a statement of the markets were brought in we would be here for another five years trying to find out what it is all about, debating, and by that time the cost will have changed and we would be back where we began. The impartial experts' advice would be of no value, it would be of no value to me. We get expert impartial advice as to the markets but whether it will be profitable or not no man on the face of it can tell, all we can do is take the least number of chances we can possibly take and I

believe that is being done. As far as I am concerned, personally, Sir, representing Fogo District, the honourable member for Bonavista South is not prepared to give his support to the industries nor eat the industrial pie, I am not too particular about the salt whether it is fishery stuff or granulated, provided it is salt. I think we have that salt, at least it is satisfactory to me. Anything, Sir, which is going to create a departure from the life I have known in this Province—its cost I am not prepared to debate, as I don't know if I am capable of doing it. There are so many factors involved, not alone the mere factor of dollars and cents but people's lives, that is why I am willing to take this departure, people's lives are involved, we either do what we are doing now or we don't. Anything that is going to take fishermen out of the fishing boats and put them in jobs where they can lead decent lives, earn decent wages is commendable to this Province, Sir. That brings me to fish, I did not intend to have anything to say about fish at all, but wherever I see fish I see blood. What I am going to say now, Sir, I want to be interpreted right, the few remarks I am going to make on the fishery, because as far as I am concerned this whole Speech from the Throne in which the Opposition are not able to find one word with regard to the fishery, as far as I am concerned it is all fish, the machinery plant there, the birch plant, is fish, the cement plant is fish, it is all fish, just fish. Anything that is going to take our people away from fishing boats in which they starved for four hundred and fifty years is still fish as far as I am concerned. That is not the fish I am going to talk about but it is still fish, industrialization in Newfoundland is fish. It is the only

thing we know. What I was going to say was this, but I do not want to be misinterpreted. The honourable member for Labrador and myself here have been classified as anti-merchant, get it in the neck every time. I am not anti-merchant, I am not against any merchants in Newfoundland, the Dominion of Canada, nor America, nor anywhere in the world, I am not concerned with them any more than with miners, but what I have to say is not against merchants but against a system which we have in this Province with regard to handling the fish. I am not against those who comprise NAFEL, it is unfortunate in the first place. Maybe that destiny put them there or their own brains or whatever did it. The fact is they are there the same as we are in this House. It is the system. If there is anything wrong with this situation regarding the fisheries it is not the people, it is not the merchants anymore than it is the fishermen but it is the system that is wrong. Any system, Sir, which will allow thirty or forty men to control prices as NAFEL does, to decide the destiny of the fishermen of Newfoundland—there is something wrong with it and I am going to be against it as long as I live. That is just what is happening today.

The Fishermen's Advocate, lately, had an editorial which talked about an independent fisherman, I admit he is a strange creature around this Island, an independent fisherman, in fact a fisherman who fished last Spring without having to get any finance to help him all through the Summer and after his fishing season was over had his fish made, cured and ready to sell and found he could not sell it because he had to take up credit to do so. Mr. Speaker, must I

go to my grocer, Sir, and take up credit in order to get a job. That is what it means. That is where we have arrived with no small number of fishermen. Therefore, I maintain it is a monopolistic system, Sir, where a few can decide the destiny of fifteen thousand fishermen in Newfoundland, fifty men with their agents and sub-agents who will decide whether they will buy or not buy and who will decide what price to pay for it even when they get it, who will go to the extent of determining what the cull is going to be in spite of the fact that we have fishing inspectors—at this very moment two in Fogo District. We have a situation going on all summer, all over the Province of Newfoundland, and taking into account all the things involved in Fogo District, we have a situation where one man is paying ten dollars a quintal for fish today and the next man to him, a buyer, is paying \$11 for fish in that one community and fifteen miles away they are giving \$10 and \$11.25 a quintal for fish, a variation on one hand of a dollar and on the other hand a dollar and a quarter for the same quality of fish, caught in the same water, going to the same people, I suppose, or to the same type of people. Why are these things being done? They are being done with a purpose and let nobody in this House, Sir, mistake that purpose and it is going to blow up. Don't think, you will be wrong to assume, that the fisherman of Newfoundland do not know what is happening, because he does and when I said in this House last Spring he had pulled up his boat and his boat was there to stay, I was not foolish enough to mean I hoped it had happened, but I hope to see it happen, since I believe there is no other way to jolt us into realization of where it is leading and what must

come. Let the fisherman haul up his boat and let it stay there. The machinery plant is fish, Sir, the cement plant is fish, our industrial programme is more than an industrial programme, it is a social revolution right here in Newfoundland taking place under our nose. I am going to give it my support. If it fails then I will be sorry but I will have gone the whole hog with it, irrespective of what it is going to cost because I don't think we are capable of reckoning the cost, it is not a matter of dollars and cents, it is a matter of lives, not the life of one generation but of generations that have gone before us and generations to come, if there is to be any Province of Newfoundland at all.

Mr. Speaker, I give my support to the Government's industrial programme.

MR. SMALLWOOD: Mr. Speaker, in the absence of my honourable and learned friend the Leader of the Opposition I move the adjournment of the debate but not with the purpose of being the first to resume but actually on behalf of my honourable and learned friend.

Mr. Speaker, I rise to move second reading of a Bill "An Act to Approve and Give Statutory Effect to an Agreement between the Government and Newfoundland Tanneries—William Dorn Limited."

William Dorn is a Czechoslovakian, who with his father before him for years operated a tannery in Czechoslovakia. There I think his grandfather was the founder of the business which has operated for over a hundred years. They, with hundreds of thousands of other people were forced to flee from Czechoslovakia when the Communists occupied that country

and he took refuge in Hamburg, the great seaport of Western Germany where he has been until quite recently, ever since the occupation of Czechoslovakia in the last stages of the war. William Dorn is a man who has had tanning in his blood for generations as his family has done nothing else. Now he has formed a company here under Newfoundland law, known as the Newfoundland Tanneries-William Dorn Limited. That company has been incorporated and an agreement has been made between the Government and that company under which the company is to establish at Carbonear a modern tannery for the tanning of leather from hides and leather also from fish skins, and activity that is quite new in Newfoundland though of course not at all new in other parts of the world.

It is to be a very modern plant and as the House undoubtedly knows construction of the building has begun and is now well under way. The land has been purchased at Carbonear, the excavation has been completed, the concrete foundations laid and the concrete walls are now well towards completion. I myself visited the plant, the building, on Sunday for a few minutes and I had once before taken a quick run over there to see how they were getting on. The cement blocks are being made on the job and even to my inexperienced eye, the concrete work and concrete block work looks very fine indeed. The main building is one hundred feet long and the width is, I think, sixty feet. It will be a one story building and the floor will be of concrete except that they have set down in the floor below floor-level quite a number of large concrete vats and about ten feet deep, these vats having the boards

and forms in some cases already taken away.

Now in Canada today there are some thirty-seven tanneries, in Quebec three, Ontario twenty-eight, Alberta three and British Columbia three and one each in New Brunswick, Manitoba and Saskatchewan. The year before last, the latest year for which we have the figures, these seventeen tanneries took thirty-seven million dollars worth of material, chiefly hides of course, tanned the hides and turned out a value to the tanneries of fifty-four million dollars. Now of the hides used in these seventeen tanneries over half were of domestic hides that they obtained in Canada, two million nine hundred thousand hides and there were imported hides to the number of two million, two hundred thousand. Canada imports one third of the cattle hides used in their tanneries, one-third of the cattle hides and sheep skins, she imports sixty percent of the sheep skins and virtually all of the goat skins. I mention that fact to show that to have an industry it is not always necessary by any means to produce your own raw material or to produce all of your own raw material, indeed they can frequently be successful when they are based upon raw material that has to be imported and it is quite obvious that this tannery at Carbonear will have to import into Newfoundland most of the hides that they will tan but in that respect they will not be any different than any of the other tanneries scattered across this nation from the Atlantic to the Pacific.

Now, the market in Canada for leather is a considerable market. In Canada there are two hundred and eighty-three leather footwear factories using sixty-one million dollars worth of leather. There are two hundred

and seventy-two other leather plants using twelve million dollars worth of leather, there are eighteen leather belting plants using almost two million dollars worth of leather, there are seventy-nine plants making leather gloves using five million dollars worth of leather—leather gloves of course for men, women, and children for ordinary purposes and especially for industrial purposes, gloves for factory workers and other kinds of industrial workers. There are twenty-six plants making leather for boot and shoe factories and these twenty-six plants use about one million dollars worth of leather. So that it is quite apparent that in Canada where you have so many hundreds of factories using leather for one purpose or another, in Canada where a large proportion of the leather is imported, in Canada where immense quantities of leather is tanned, are imported from other countries, there is a substantial market for at least one more modern and efficient tanning plant. Now this plant at Carbonear will tan, as I say, animal hides and in addition seal skins of which for years past the production in Newfoundland has been on the average of twenty-five thousand old seals or old seal-skins a year of the kind useable only for tanning into leather and in addition to these twenty-five thousand old seal-skins a considerable number of thousands of other skins from younger seals not suitable for furs but quite suitable for seal leather and in addition to cattle hides and seal skins this tannery will manufacture thousands of fish skins into leather. I regret that I forgot completely to bring here tonight some samples of fish skins manufactured into leather. I keep them on my desk where they have been for months, in my office, and I have had lots of fun with visitors coming into my

office who have spied this roll of leather, five or six pieces rolled up together, lying on my desk, and have asked me what they were. I never tell them at the outset, I unroll them, take out one piece and say: "Here just tear it." Never, and this happened half a dozen times and they try to tear it and the muscles of their faces will strain, and it is quite obvious they are making a real effort to tear that leather and I have not yet seen any man tear one of those pieces of leather and after they had expressed their wonder at the strength and toughness of the leather I ask them what, in their opinion, the leather is made from and they make all kinds of guesses and no one has yet guessed correctly—they are catfish skins.

Now catfish are caught in many thousands on the Grand Banks and brought in by trawlers. Recently, Mr. Arthur Monroe, when he saw those catfish skins in my office one day was tremendously interested when he heard what they were. He said, why we bring in thousands of catfish skins in our draggers. "What do you do with them?" I asked. He told me they salted them and shipped them off to the United States. "Well" I said, "you won't be shipping them off very much longer, they will be turned into this kind of leather here in Newfoundland, tanned into remarkable tough leather with beautiful designs and of every colour you ever heard of for woman's fancy handbags, shoes and purses and leather goods of that kind.

This tannery at Carbonear will use at the outset eighteen thousand heavy cow hides a year, twelve thousand light hides, eight thousand sheep skins, seventy-two thousand fish skins, a total of almost one and a half million will be tanned into leather, that is the programme for the first year.

How rapidly the plant will expand and its turnover increase will depend as it must upon the success of the company in marketing its output in Canada and in other parts of the world. It should be quite feasible to market some of the output in the Caribbean and perhaps in other parts of the world. Expressing a personal view I may say that my knowledge of William Dorn is that he is a thoroughly experienced and skilled and thoroughly forceful tannery owner and operator and I will be quite genuinely surprised if he does not quickly develop that tannery into one of the really successful tanneries in all Canada.

We have, as the House has heard, in prospect a boot and shoe factory, but it would not be in order for me to debate on the boot and shoe factory now yet it is to be a large boot and shoe factory to be established here in Newfoundland probably at Carbonear and the shoe factory will be at once an important market for the leather provided in this tannery and the other point is this, I have not as yet mentioned a glove factory. I don't remember if I have mentioned it in the House. There is in this world a company manufacturing gloves of a very high-class ladies' gloves of gazelle skins. The gazelle, I understand, is a tiny elephant to be found only on the Continent of Africa and they tell me it is a very beautiful and dainty animal, a very tiny elephant. The entire produce of gazelle skins is bought by the company who are going to establish this glove factory in Newfoundland and this company are the greatest consumers of gazelle skins for their high-class and fashionable ladies' gloves are made of gazelle skin and I may say I brought back with me a pair from Europe,

given to me by the owner of the glove factory as a gift to my wife. I don't know if she has them with her or not. The Attorney General brought back a pair to his wife and they are unquestionably a beautiful ladies' glove for any lady who can afford them, I am afraid the fishermen's wives will not quite reach these gloves but they do sell the gloves across the United States and in England. It is rather interesting to know that they sell them in England, manufacture them on the continent and then stamp the brand of the English firm that sells them in England and ships them to England where the only thing added is the buttons. The English firm sews the buttons on the gloves and they become an English product. They are sold to wealthy women in England but are manufactured on the Continent of Europe. Now, these gazelle skins have to be tanned and it seems a logical and practical thing to bring them into Carbonear and tan them at the tannery in Carbonear and as gazelle skins are to be tanned in Carbonear it would seem to be a logical thing to manufacture them nearby, perhaps in Harbour Grace, is possible. Thus I see a bitter and interesting feud developing between the honourable Minister for Public Welfare, the member for Carbonear; and the honourable Minister of Public Health, the member for Harbour Grace.

MR. RUSSELL: You should put it in Bay Roberts, a better place than either.

MR. SMALLWOOD: I am curious and interested to observe the interest of my honourable friend the member for Bonavista South in the future of Bay Roberts and I will follow that trend with great interest and I wonder if he will see what he hopes and I wonder will he see to it that what

happens will not be entirely pleasing to certain people.

MR. RUSSELL: Just as long as the factory goes there.

MR. SMALLWOOD: I am very hopeful indeed that a factory will go in Bay Roberts.

Well, Sir, that is the story. The amount involved, frankly, in all those twenty odd industries, I deliberately give a good opening when I say at the moment amongst all those factories I don't remember the exact amount of the investment. Three hundred thousand altogether of which we guarantee one hundred? Now, this is not a new plant but a plant which is already operating in Hamburg which has been packed up and shipped over to be set up again in Carbonear. The whole plant has arrived at Harbour Grace and now lies, I assume, or it is still stored at Harbour Grace awaiting the completion of the factory at Carbonear.

Harbour Grace is to get a large and very valuable oil hardening plant for the manufacture of marine oils and vegetable oils to be imported into Harbour Grace for the manufacture of hardening oils for margarine and soaps and other such products and the oil hardening plant will not be the only one of these industries to be established at Harbour Grace. It has the advantage of a very fine large harbour, large arm of fairly level land, a large supply of available labour; I wish the Minister of Health were here to hear me eulogizing his town, and lastly what is very important, a magnificent water supply, a municipal water supply and it has the further advantage of course of a railway connection and both road connection and tide-water connection which you will

find in virtually every settlement in Conception Bay.

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

DR. POTTLE: Mr. Speaker, I do not hasten to rise, Sir, in order to take advantage of the absence of my colleague the honourable member for Harbour Grace and in so doing specially plead on behalf of my constituents, especially that part of it which is one of the most progressive towns of Conception Bay, I could do some special pleading, Sir, but it would not be relevant to the Bill.

I am going to make a few remarks and in doing so I shall probably surprise the honourable and gallant member for Ferryland in supporting this Bill. I support it specifically and support it not from the economic angle at all but rather from other angles. I should like to make two sets of comments both having to do with the human factor.

We have heard, and properly so, because that is the gist of the matter, of the economic soundness debated pro and con of this proposed industry and other industries. My purpose in standing is to draw attention to other factors which should also be taken in to account. There is a phrase getting into our language these days and again properly so, "the moral responsibility of industry." That is to say that when the whole story of an industry is told it must include the people not only who work in the industry but the well being of all who are affected directly or indirectly by the industry. I make that general comment because it does not apply simply or uniquely so that it is relevant to say it here. When the soundness of a proposition like this one has been proved or unproved to the satisfaction of both

sides of the House, if that were possible when that is done there is still a large element to be concerned with and that is the human element, the people who are concerned both within and without.

Well, Sir, I want to say two things, if I may. The first has to do with the standard of Newfoundland workmanship. I am not a craftsman but like many Newfoundlanders I have had some experience at second hand with Newfoundland craftsmanship, and while we can say that they are good and surprisingly good in the main that should be no excuse for shielding what is not good workmanship, and there is a good deal of workmanship, not good, in Newfoundland. There are too many painters and plumbers and carpenters still at large who pretend to be these craftsmen respectively but they have no special claim by special skill to be called painters or plumbers or carpenters and many a poor householder has found himself victimized, if I may say so, by some of these people who pretend to be what they are not. I can generalize and say that can apply to business as well, and business on a larger scale because in Newfoundland and St. John's particularly many are in business not because of excellency in the work they put out nor the business methods they show, far from it, but because they have probably become accustomed simply to purchase many of these pieces of trash in the dismal dark and dusty crevices off the streets. My hope, Sir, is that with the introduction of these industries, or let me express it more generally because that would be where my point would be a little more powerful: I should hope by the introduction of all the industries including this one, we have a wide range, that our standard of workmanship will be

improved. I have hopes that these standards will, and I believe that it will, be a desirable thing for every one of us. An industry like this, or a Bill such as this, that is one of the effects of the industry and is one instance of what we have been discussing during the last few days; it will step up, I hope, the general standard of living with one another. I refer to our lack of punctuality, our lack of attention to details both in time and in place, that little extra touch that shows the marking of the master. We need a lot of that to do it and not be satisfied with just good enough, sweeping the dust under the mat, not polishing the far distant corner. I hope these days have gone, Sir, and I believe Newfoundland is well on towards the passing of that day. We have learned before, the standard has improved and increased during the last ten years. We have learned before and I presume we can learn again. We have already learned much and I presume we can learn more.

Now another comment, briefly, before I sit down. It is along this line: As these industries are introduced including this one we shall maintain at every level and in every respect the best of good public relations and again there is the human aspect which you can not count, it does not appear on the balance sheet, you can not add it up but I have put it there in terms of human values, touch it you can't but it is there. Here are people who have come, with different background to us all. What we have to do is visualize the situation if it were reversed, visualize ourselves as trying to find our roots planted in some other soil, turn ourselves around and reserve the roles and appreciate it. In some cases it is difficult and it can be a considerable handicap. Let us try to under-

stand, if I may plead in this way, let us try to understand in here that these people are making not only an investment in material of machinery but are setting out upon a plan of life to change their whole destiny. Here they will have to find a place in our scheme of things for their families, their children and so on—all those subtle human things, I say, which make up the stuff of life. Here their destiny is bound up and intertwined with ours from this time henceforth. That is not a little consideration and I hope as Newfoundlanders we can show our hospitality not only in words but in actual deeds and that the historic sense which the Premier has already spoken so eloquently of in this rather perspective, we have our dealing with those men and families as they come here. We should see this rather perspective, we have our own hates and many of these have been dissolved and why not go further afield and dissolve other people's too, before they are even created. Their names will be a bother to us. Well, so would mine to them if I were in their country but I recall once in Toronto some years ago, amongst my own kind really. I went to speak at a gathering, not knowing my way around and in the dusk I knocked at a door and said: "My name is Pottle." And they said: "Our name is Beverage." As I said, a name might even be a stumbling block. I think here, Sir, is a place for sound and constructive public relations and that these people will be taken at their face value—that we begin where we find them. In my belief, fleeting experience in knowing them, in seeing them, and speaking with them, my fleeting experience led me to believe that, in every respect without exception, so far as I know, they are people we can trust to start with at



least and to take part in our industrial expansion.

Now, Sir, with regard to this particular industry, it is a well known fact it will be established in Carbonear, and to illustrate the point I made, a citizens' committee has been at work there for many weeks now for some time, and these men made up of responsible citizens of the community, representatives of the community are keeping an intelligent eye to development of this plan of industrialization and are already anticipating something else will follow, so enthusiastic are they about the beginning that has been made. I make that point to indicate that in the heart of this industry as we visualize it out there, we hope there will be good public relations. I say this not only as a member of the District but I say it also because I bear in mind the broad concerns of public welfare which are very closely related to this very question which will apply not only in Carbonear but in any place where any one or more of these industries are established.

Mr. Speaker, I give my support to the second reading of this Bill.

MR. SMALLWOOD: Mr. Speaker, it is not my hope that the motion would be put tonight. It was my hope that my honourable friend the Leader of the Opposition would have an opportunity to express his views on the Bill before the motion is put. I don't mean only my honourable and learned friend, I speak particularly of him because he happens not to be present tonight. I would also hope that other members from the other side of the House would speak on it also. Would some honourable member care to move the adjournment?

MR. CASHIN: I move the adjournment, Mr. Speaker.

Debate on second reading adjourned until tomorrow.

MR. SMALLWOOD: Mr. Speaker, I won't impose on the patience of the House to move any further motions of business tonight. There is the cotton mill agreement but that I will leave for tomorrow.

MR. RUSSELL: That is another tough one.

MR. SMALLWOOD: Not so tough at all, but very pleasant and very easily digested. Mr. Speaker, I move that all further orders of the day be deferred. I move the House at its rising do adjourn until tomorrow Wednesday, at three of the clock.

The House adjourned accordingly.

WEDNESDAY, October 31, 1951.

The House opened at three of the clock.

HON. DR. H. L. POTTLE (Minister of Public Welfare): Mr. Speaker, I would like to make a statement to the House for its general information.

My attention has been drawn to a statement which appeared in the issues of the "Daily News" and the "Evening Telegram" of October 30th, regarding the serious state of affairs in the area of Southern Labrador, between St. Mary's River or Mary's Harbour and Battle Harbour. These statements are reports of interviews given by Miss Dorothy Jupp, R.N., of the Grenfell Mission to representatives of these two papers.

While Miss Jupp's statements are undoubtedly true in some respects, nevertheless it is felt that they make the situation out to be more serious

than it actually is. Each autumn since 1949, following the Government decision to make the Department of Public Health responsible for seeing that adequate supplies of essential foodstuffs were available in that part of Labrador, arrangements have been made with suppliers and businessmen in that area, viz., Fishery Products, Ltd., Baine Johnston & Co., Jacob W. Penney & Son, to place stocks of food in their stores over and above the stocks required to meet normal demands. This was done in the autumn of 1949 and 1950 and the same arrangement has been made this year. These supplies have, of course, included stocks of tinned and powdered milk and are considered to be more than sufficient to meet any emergency which might arise before the reopening of navigation in the Spring of the year.

On enquiry it was learned from the Department of Natural Resources yesterday that there is an open season in shooting turr and duck and that this season extends from the 1st of September to the end of May in the case of turr, and from the 1st of November to the end of January in the case of duck.

It may be pointed out that the statement regarding the length of time spent by Government officials on the Labrador is misleading inasmuch as there has been a Welfare Officer stationed at Red Bay for a year and his territory includes the area.

I may also say that a Welfare Officer for the area has been instructed to proceed to St. Mary's River and surrounding settlements and make a report to my Department just as soon as possible.

Notwithstanding the seriousness of the situation as alleged by her in the

press statements, Miss Jupp did not make any effort to contact any member of my Department, or of the Department of Health, I am given to understand, in order to describe the circumstances to us.

#### Presenting Petitions

None.

#### Presenting Reports of Standing and Select Committees

None.

#### Giving Notice of Motions and Questions

MR. CASHIN: Mr. Speaker, several questions are outstanding on the Order Paper of October 25th, under my name, to which I have not yet received a reply. Questions Nos. 2, 3, 6, 7, 8, 9, 10, 11, 12, 13, 14, 17, 18, 19, 20, 21, 22, 23, 28, 31, 32, 34, 35—all these still remain unanswered.

HON. JAMES R. CHALKER (Minister of Public Health): I have the answers to questions No. 31 and 32 on the Order Paper of October 25th, Mr. Speaker, and I take pleasure in tabling these answers, Sir:

31 (1): What reason did Dr. Charles Roberts give for his resignation as Superintendent of the General Hospital?

In tendering his resignation Dr. Roberts advised that he wished to return to the practice of psychiatry and had been offered another post with the Federal Government.

(2): Did Dr. Roberts have any differences of views on the administration of the General Hospital with the officials of the Department of Health; if so, explain such differences?

Dr. Roberts felt that the General Hospital should be put in control of

its own maintenance which is now carried out by Public Works and that it should maintain its own financial control with regard to staff but there was no disagreement as to the general administration of the Institution.

(3): Who is now Acting Superintendent of the General Hospital and is it the intention of the Government to make a permanent appointment to this position and when will such an appointment be made?

The Acting Superintendent of the General Hospital is Dr. Patrick O'D. Gallagher. It is the intention of the Government to make a permanent appointment and negotiations for the filling of the post are at present under way.

(4): What progress has been made with regard to the establishment of a hospital in the District of Ferryland; or Nursing Stations as substitution for such hospital. If no progress has been made, when is it intended to do something in this respect?

A site has been selected for a Nursing Station at Trepassey and on completion of transfer of title arrangements for immediate construction will be undertaken.

(5): Have certain medical officers resigned their positions in any constituency in the Province and if so why such resignations? Have any difference arisen between medical officers under Government supervision practising in outlying settlements taken place which caused such resignations? Table all particulars in connection with this particular matter.

The only recent resignations were those of the medical officer at Baie Verte who resigned to take up practice in Corner Brook, and the medical

officer at Harbour Breton, who resigned at the termination of his contract. The Minister is not aware of any differences between medical officers practising in outlying settlements.

(6): How many motor cars are operated by the Department of Public Health?

	Provincial	Federal
Cars and		
Station Wagons	16	6
Trucks .....	8	0
Ambulances .....	3	0
Snowmobiles .....	1	1
Buses .....	2	0

(7): Have any new vehicles been purchased during the present year; if so, how many; from whom were they purchased and what prices were paid for each particular vehicle?

Three vehicles have been purchased during the present fiscal year; a Cadillac sedan from Messrs. Hickman Motors Ltd., at a cost of \$4,454.75, a Plymouth sedan from Messrs. Marshall Motors Ltd., for which \$1,744.84 was paid and a G.M.C. Station Wagon from Messrs. Terra Nova Motors Ltd., for \$2,762.00. The latter machine was for use in Corner Brook under a Federal Health project and its cost is reimburseable to the Province by the Federal Government.

(8): What are the total expenses in the Public Health Department for the operation of motor vehicles; this to include salaries paid to mechanics or chauffeurs, as well as general repairs, gas, oil, etc?

The total expenses of entire transportation services for one year (1950-51) was \$68,667.28. This included all salaries, repairs and maintenance, fuels, licence fees and drivers' uniforms.

(9): For what services are these cars employed? Are any of them employed in other work apart from the Health Department? Give all particulars.

Vehicles are used for the transportation of patients, doctors, nurses and other staff members in their official capacity. In this connection the Department of Health provides all the services required by the Department of Public Welfare for the transport of Welfare Officers and foster children, etc. The Cadillac sedan purchased in the summer of 1951 is used only upon the instruction of the Premier and then for visiting state officials.

Question No. 32: A statement showing the total amount expended by that Department for travelling expenses to date during the present fiscal year; to whom the amounts were paid and what services were rendered in connection with such travelling.

To give a complete answer to this question it would take the full time of an accountant for approximately two weeks. If the honourable member would clarify any particular part of the question, or does he mean travelling by members of the Department within the Province, transportation of patients and travelling of officials of the Department to the Mainland and elsewhere. An answer will be forthcoming very shortly.

HON. JAMES J. SPRATT (Minister of Provincial Affairs): Mr. Speaker, No. 28 is in course of preparation. The honourable member for Ferryland informed me he was not in a hurry for it.

MR. CASHIN: I know, that is right.

DR. POTTLE: With reference to Question No. 40, Order Paper of Oc-

tober 29th, by the honourable Leader of the Opposition, addressed to the Acting Minister of Natural Resources, I have pleasure, Sir, in tabling the answer.

(1) Will honourable Minister of Natural Resources give some idea to the House as to the amount of farm produce forming this year's crop?

Answer: Statistics are not yet available to show the amount of crops produced this year. Due to increased employment less vegetables were sown by part-time farmers but the returns to full-time farmers were higher than normal.

(2) Is his Department making any effort to help the farmers to dispose of their crop?

Answer: Yes.

(3) Are the farmers finding it difficult to dispose of their crop?

Answer: No, with the exception of cabbage.

HON. J. R. SMALLWOOD (Prime Minister): Mr. Speaker, I happen for the moment to be acting for the honourable Minister of Public Works and I happen to be aware of the fact that in that Department they are actively engaged at preparing answers to questions directed to them. I can say also that questions directed to the Department of Finance are being prepared as also are those directed to the Department of Economic Development. I hope to have quite a number tomorrow.

#### Notice of Motions

Honourable the Minister of Finance to move the House into a Committee of the Whole to consider Certain Resolutions in relation to the Grant of Supplementary Supply to His Majesty.

MR. SMALLWOOD: Mr. Speaker, I would ask to have that deferred as there are certain explanations which I expected to have here which have not, in fact, arrived, and I think I will be ready tomorrow.

Honourable the Premier asks leave to introduce a Bill "An Act to make Provisions for the Granting or Guaranteeing of Loans to Certain Companies."

HON. LESLIE R. CURTIS (Attorney General): Before the honourable Premier is granted leave to introduce the Bill, Mr. Speaker, I would like to make a correction in the wording. The Bill should read: "An Act to Amend the Loan and Guarantee Act, 1951."

MR. SPEAKER: Honourable the Premier asks leave to introduce a Bill "An Act to Amend the Loan and Guarantee Act, 1951."

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

Honourable the Premier asks leave to introduce a Bill, "An Act to Amend the Public Records Act, 1951." Bill read a first time. Ordered to be read a second time on tomorrow.

#### Orders of the Day

MR. SMALLWOOD: Mr. Speaker, I wonder if it would suit the convenience of my honourable and learned friend the Leader of the Opposition to defer the debate on the Address in Reply to a stage later in the afternoon and we might go on, I think, with two and three after which I would like, the House being willing, to go on to No. 6, second reading of a Bill "An Act to Approve and Give Statutory Effect to an Agreement between the Government and United Cotton Mills Limited."

MR. CASHIN: I understood that when the House adjourned last night we were on the second reading of a Bill which had been introduced by the honourable the Premier.

MR. SMALLWOOD: The Tanneries.

MR. CASHIN: That is the one you mean now.

MR. SMALLWOOD: Later in the day.

Third reading of Bill "An Act to Amend the Industries Act, 1951."

Bill read a third time and passed.

Third reading of Bill "An Act to Approve and Give Statutory Effect to an Agreement between the Government and Canadian Machinery and Industry Construction Limited."

MR. CURTIS: Mr. Speaker, before this Bill is read a third time I would ask to recommit it just to make one or two amendments agreed upon and calling only for redrafting.

Moved and seconded Bill be recommitted.

MR. CURTIS: Mr. Chairman, it will be remembered that in Committee yesterday we agreed to amend clause 4 of the schedule with reference to expenditure of the two and a half million dollars on page five of the Bill. It will be remembered that we agreed to have the following words written in after the word "and," in line five, the words: "two million dollars of which." It is the feeling of my Department that it is better to rewrite the section and I would move that instead of the amendment made yesterday in clause two of the schedule we rewrite the entire section to read as follows:

"The Government will lend, or cause to lend under Government guarantee, to the said Company the sum of two and one-half million dollars which amount is to be available at the times and in the manner herein-after appearing and is to be fully expended in the erection of the said building and the provision and installation of the said plant."

It is just the same amendment agreed to yesterday only the whole section is rewritten in the agreement.

MR. HIGGINS: They are only supposed to spend a million and a half.

MR. CURTIS: They are supposed to put up two millions, they put up two and a half millions and we put up two and a half millions but they are supposed to provide a half million for working capital, so are we. They have undertaken to get it.

MR. HIGGINS: You said the material, machinery and equipment cost four millions.

MR. CURTIS: They put up two million, we two million and each of us a half million working capital.

MR. RUSSELL: Where are they to get that half million?

MR. HIGGINS: It does not say that in the Act. The position is the plant and machinery is supposed to cost four million. They sell all the machinery to the Government for two and a half million, that leaves a million and a half for the plant and, machinery, that is four million, the Government gives two million, that means there will be the plant costing four million or they will have five hundred thousand dollars themselves.

MR. CURTIS: It says not less than four million, it also says, Mr.

Chairman, we do not have to provide any of that five hundred thousand dollars payment until they produce the equivalent of two and a half million.

MR. HIGGINS: We understood there was a half million working capital.

MR. CURTIS: This agreement as it is amended makes it easier for them, it allows a reserve of half a million.

MR. CASHIN: It makes it they can take off with half a million.

MR. CURTIS: They have to produce the equipment. The amendment is —

MR. CASHIN: Now, let us be clear on this, what amendment? I would like to know what is this amendment and what it is an amendment to.

MR. CURTIS: To Section 2 on page 5.

MR. CASHIN: In other words two is rewritten now.

MR. CURTIS: The amendment is that the following be inserted as Section E of the Bill, but instead of putting it in as an amendment after the word "and" we have written the whole clause.

MR. CASHIN: Now, the whole plant costs four million dollars at least, of which we are putting up two and a half million, that means they are finding a million and a half of machinery and we are getting a mortgage on a million and a half dollar job for two and a half million dollars.

MR. SMALLWOOD: That is very poor reasoning.

MR. CASHIN: The whole plant costs four million dollars, we are put-

ting up two and a half million to build the place and giving a working capital. Very well, now the whole thing is worth four million dollars of which we put up two and a half.

MR. SMALLWOOD: No.

MR. CASHIN: But the thing is here. According to the Act it will cost at least four million and assuming it just cost four, not five, we still put up two and a half and have a mortgage on that plant on our own money apart from the million and a half which they put up and we put up two and a half and we get a mortgage on the four million dollars, yes, but two and a half of it is ours.

MR. CURTIS: No, only two at that stage.

MR. CASHIN: But we are to give them the other when the plant is finished. Consequently we have a mortgage for two and a half million for a thing which cost four, of which we put up two and a half. You don't need to be a mathematician to see that.

MR. CURTIS: I think the honourable member for Ferryland sees the position. We are putting up money in accordance with paragraph four but before we put up any it has to be matched. Before we put up the two million, we get security for the amount. The two million we put up plus what they put up is 4 millions, and we don't give the BALANCE of five hundred thousand dollars until they match it.

MR. SMALLWOOD: In other words we are only to give two millions instead of two and a half.

MR. CASHIN: And a half million after the plant is completed. It does not matter what the cost and I assume it is just four million, we give two

and a half according to that Act and we are getting a mortgage on four million dollars outfit for two and a half million dollars, two and a half of which is our own and they put up a million and a half.

MR. HIGGINS: In other words, they can use our million for themselves and put it against their machinery, that is what the honourable member is getting at.

MR. CASHIN: If the thing only costs four million, the thing should only cost us two million.

MR. SPRATT: Would not anyone consider it a good investment to put in two million and a half dollars to any industry that would cost five million dollars? You have a guarantee for the money there and are also protected by another million dollars. Where do you get that in any other investment? What better guarantee can you get, I would like to know?

MR. CASHIN: I am not kicking about the guarantee, the thing is, according to the Act it costs four million and two and a half is guaranteed by the Newfoundland Government and the other million and a half by the company.

MR. RUSSELL: That is exactly the same way as I see it. Take next July when the initial stage is completed, it is supposed to be finished before the final payment is made and just before we make the final payment of five hundred thousand dollars we by that time will have paid two millions, that is correct, that would be for the plant and equipment and by an equal investment of the company the plant will be worth, let us say, four or not less than four million, it is not right to assume it would be more. Two millions of it is ours, and this amount

has gone into the building and labour and entails two million dollars, say the whole thing is worth four, two million is ours, we have not paid the last half million, and the other two represent the value of their equipment and machinery which they are putting in. They have it in. Now comes the time for us to put in the other half million which —

MR. SMALLWOOD: Which they must match.

MR. RUSSELL: How do they match it?

MR. CASHIN: By waving a wand and saying the equipment is now worth two and a half million dollars. If you put in another five hundred thousand and it is to be matched, I see now what they do to match it, they expect to wave a wand, say, whereas it was worth two million dollars now it is worth two and a half million. The only other way is by getting the dollars to match our dollars.

MR. CURTIS: Or raw material

MR. CASHIN: It will have to be paid for out of our half million dollars.

MR. RUSSELL: I see nowhere here to match that half million dollars and if they get a half million dollars—

MR. CASHIN: There is a way, by driving up the cost of the machinery. Now that machinery is coming here and is on its way into the country and when it comes into the country there are invoices, and it is invoiced at the point of shipment. That is what you pay your duty on and your ad valorem duty is so much percent on the machinery. Now, my point was, the value of this machinery was the invoiced cost at the point of shipment with freight and duty and that value landed

at Donovan's or wherever it goes to— Is there any way of getting at the value of that machinery that would satisfy us? After all we are not playing with our own money, we are playing with the people's money and as I see it now, it never struck me until this moment about this two and a half million, they put in two and a half and they drive the cost up if they like.

MR. SMALLWOOD: Mr. Chairman, the thing is really so simple that I fail to see where any difficulty arises in the mind of any member in understanding it. Here is five million dollars.

MR. CASHIN: Four million, Mr. Speaker.

MR. SMALLWOOD: Here is a five million dollar enterprise, my honourable and gallant friend is now referring to the factory, I am referring to the enterprise not the factory; here is a five million dollar investment owned by the Canadian Machinery Company. They had no dollars at all, none—no dollars. They have, however, machinery, material and equipment, the various machines that will go in that factory, the structural steel, cement with which the factory will be built and other equipment and material which they can invest. They say to us and we say to them, and we agree that their investment must and can take the form only of actual material things that you can feel, lift, weigh and measure; physical qualities, including, as my honourable friend, the Attorney General, reminded us, raw material, that they can provide just as they can provide machinery, just as they can provide structural steel. The raw material of the machinery plant is iron and steel and that they must have if they are going to manufacture



anything in the factory. They have to place here in Newfoundland values under those headings of two and a half million dollars, we have to provide value in dollars in cash or by the way we have provided, of guarantees. Two and a half million dollars, that makes five millions. Now that is the story. That is also the story of the cotton mill and a number of other plants, they having no dollars but only material and equipment, machinery, skill and experience and know-how. They invest these things, no value being placed on the skill and know-how only on the physical things. They match the investment. We match it with dollars. That is the story.

MR. RUSSELL: The agreement, Mr. Chairman, does not say that has to be done. It does not obligate the company to do that. It obligates the Government but not the company. Looking into the future to the end of July next and if there is then a plant, equipped, worth four million dollars the company has up to that date fulfilled their side of the agreement as far as I can see here. I am not a lawyer and if you can point out where I am wrong, I would be glad to hear it but it looks to me, we are supposed to give them another half million dollars against raw material. If it turned out that factory instead of costing four million actually cost four and a half, all right, not by inflating the value, but it actually did cost four and a half we would then have something to put the half million against but if it has not, the only answer I can see then is that it must be raw material. We are obligated to put the other half million dollars there but are they obligated to put another half million of raw material?

MR. CURTIS: Read the clause aloud.

MR. RUSSELL: What does that mean?

MR. CURTIS: What, can't you read? You told us you could. It means until they produce two and a half million we don't have to pay.

MR. RUSSELL: Therefore they have no assurance of working capital. If that factory costs four and a half million exactly to build, two million of which is ours and two million theirs in machinery and equipment, we don't give them any working capital.

MR. CURTIS: Until they match it.

MR. CASHIN: Now we have been arguing and squabbling over this thing long enough. They are going to put up, according to the Premier, equipment, machinery, and so on in to this plant in here at Donovans, equipment and machinery which they will bring into Canada and on which they are paying duty to the Federal Government. Certain machinery which when it arrives in Newfoundland and is transported in there will be worth so much money. That is what I understand from the Premier, Mr. Chairman. Now we have been squabbling here as to how we can value that machinery. The Premier said he can't. You have to clear it up to the satisfaction of the House.

MR. SMALLWOOD: I did that.

MR. CASHIN: We have not the invoices of that machinery here because the Canadian Government will value it for dutiable purposes and if we had the invoices here then we would know how much they put up in actual equipment. They have them for customs purposes just the same as if I imported any machinery from Europe, I would go down and

pay the duty and show the invoices or in that connection they will bring in experts and value that machinery and there is ad valorem duty on that machinery. Now can they produce those invoices and produce bills to show the cost of transport from the point of shipment when they are discharged here in St. John's? How much did it cost landed and how much did it cost to transport it out and install it there? Now then we would be satisfied that we are getting a fair deal but whether the Government can tell us that, we don't know.

MR. SMALLWOOD: Will the honourable gentleman allow me? I will say again, it is just as well I suppose, does not the honourable and gallant member remember my dealing with that here the other night when I said the honourable Minister of Public Welfare would never put himself up as being competent to judge the value of that machinery and equipment, and the Minister of Health, although he is a businessman, nevertheless his experience was in relatively small business and he would not pretend to value that material and equipment, and even the old veteran, the honourable Minister of Provincial Affairs, does he not remember that now, now that I remind him? Does he not remember that I said none of us in the Government is competent to decide that? Does he not also remember my describing the procedure we had decided to follow and also decided to follow in these various new industries in connection with certifying the cement mill, that our intention is to engage the services of an American Engineering Consulting Firm, I thought that when I gave that explanation the matter was cleared up. The honourable gentleman is not entitled to see what duty

they pay. What we are entitled to know, and can know is the value of the machinery, material and equipment. We must be satisfied and we are entitled to be satisfied that it is in fact worth two and a half million dollars. How that is done is another matter. It will be done. And I described how it will be done.

MR. CASHIN: The point is this, it can be done now.

MR. SMALLWOOD: Not before it is imported here.

MR. CASHIN: The point is this, we are supposed to match these dollars for dollars, the labour and every thing else in dollars, the labour from discharging it from ships, how much does it cost landed on the Furness Withy wharf, the original invoices of that stuff. The Government are entitled to see them. They are putting up cash and if they are buying the machinery they are entitled to the invoices and the Canadian Customs Experts are to say whether it is worth five thousand or fifty thousand dollars because they collect duty on the value of that machinery.

MR. SMALLWOOD: The calculations the Canadian Customs pass on that machinery for the purpose of that Bill have precisely nothing to do with the question under review. Does my honourable friend suppose that the Government of Canada, through its Department of Customs, in connection with a new industry to be established in this Province, will collect from them the regular standard rates of duty?

MR. CASHIN: I don't know what they will collect.

MR. SMALLWOOD: I assure you not.

MR. CASHIN: That makes the machinery cheaper.

MR. SMALLWOOD: It makes the Canadian Government's valuation cheaper. I say the valuation the Canadian Government places on that machinery for the purpose of customs means exactly nothing for our purpose.

MR. CASHIN: In other words the Canadian Government, if they give it free entry, let us assume they give it free entry, take the extreme. At the same time they got to produce invoices at the point of shipment no matter what it cost. Now am I to assume another thing? I got to keep my mind from becoming warped, they could fake invoices. That has been done in the past right here in this country, but whatever the duty, the fact is I don't know what it is, they are paying some I imagine unless the Canadian Government interceded and through their influence allowed the goods duty free.

MR. SMALLWOOD: Some of it will be free.

MR. CASHIN: Will you see the invoices of that machinery for which you are intended to put up two and a half million dollars?

HON. C. H. BALLAM (Minister of Labour): I think the House should be informed that this section together with the amendment was debated at great length yesterday and carried.

MR. CASHIN: We are supposed to come in here and are told—

MR. CHAIRMAN: Order—the debate is in order.

MR. CASHIN: It is in order, otherwise it would be just as well to go out of here, I resent that sort of

thing, over here we have no right to speak any more.

MR. BALLAM: That is impertinence personified.

MR. CHAIRMAN: This debate is out of order at present.

MR. CASHIN: The point I am trying to get at—is the honourable Minister of Labour able to enlighten me on this point—how much was that machinery invoiced at, what was the freight paid and CIF because that is insurance and freight in case you don't know. Can you tell me? I put that to the honourable Minister.

MR. SMALLWOOD: The honourable and gallant member for Ferryland is really exciting himself quite unnecessarily and superfluously. The Bill provides quite clearly, and the same applies in other Bills, advances made to this company by the Government are made upon the certificate of the Minister of Economic Development, who must certify that the amount advanced by the Government is matched by the Company. Now, I happen to be the Minister of Economic Development and I am extraordinarily clever, as my honourable and gallant friend knows, I know everything, I know all, see all, hear all. I never tell all. I am supposed to certify that this machinery and equipment, from time to time, is worth so much and against that the Newfoundland Government on my certificate issues certain cash or guarantees certain bonds. Now, notwithstanding what a remarkable man I am, notwithstanding that, I admit here now unashamedly that I am not competent to judge the value of that machinery, material and equipment. I can assure my honourable and gallant friend the last thing I intend to do is to hike down

to Harveys, look at that machinery and to the Federal Customs and to someone else and do the same thing and find out what was the customs duty paid, I am not interested, and I ought not to be. What I must do is to satisfy myself without a doubt that for any advance we make by way of cash, or guarantee, which is the same thing, that they have put an equal amount of value here. Now how am I going to arrive at that? I have told the Committee how I am not going to do it and now I will tell the Committee how I am going to do it. This is my third time.

MR. CASHIN : We are stupid.

MR. SMALLWOOD : Well it is he who says it and I must say I agree with my honourable and gallant friend. This is my third time telling the procedure I propose to follow, the same procedure exactly as that decided upon in connection with the Cement Mill and I may say also the Gypsum Mill, namely : To retain the services of a firm of consulting engineers, an American Firm who will examine it and certify to me the value. I then have the certificate of a firm of qualified consulting engineers not connected with any of us, independent, brought in from the United States and I will then feel quite justified in issuing my own certificate. Now that is how it is to be done and I hope I won't have to say it a fourth time.

MR. CASHIN : You might. Are those engineers going to be here all the time?

MR. SMALLWOOD : They will be here very soon.

MR. CASHIN : Have they been here up to the present?

MR. SMALLWOOD : We have ad-

vanced them money on behalf of that in there.

MR. CASHIN : Who valued that?

MR. SMALLWOOD : I mean there is nothing in there yet.

MR. CASHIN : There is nothing in there and you advanced them money.

MR. SMALLWOOD : And if my honourable and gallant friend will look at the agreement he will find there is no valuation required on the agreement yet, on anything they have yet but when it is required it will be produced.

MR. CASHIN : But you have advanced the money without any security or something. Now the point I am driving at, if it cost four million dollars, no more no less, and we put in two million, we don't give them the other half million, as I understand it from the Attorney General, in other words they have no working capital. On the other hand if they bring in a lot of material like machinery then you will advance them fifty percent against that. Well that has not been made clear until now.

MR. JANES : In the valuation of machinery it is not the invoiced but the replacement value.

MR. CASHIN : No.

MR. JANES : Well if the consulting engineers value it, that is the only value, it must be replacement value, that is the only value.

MR. CASHIN : The honourable member ought to talk about something he knows something about. The equipment coming in costs deutchmarks or something and we pay the equivalent in dollars and you get up here and say replacement value. It

has not been destroyed by fire, they are supposed to have insurance anyhow.

MR. JANES: Suppose a small piece of machinery can be produced in Germany and in the United States and theirs cost ten dollars but over here the same piece of machinery can be manufactured for seven or eight, is the value eight or ten dollars?

MR. CASHIN: The point is this it comes in here invoiced and if it is ten in Germany it is ten here. For notice you are dealing not with America but Germany or European and they ship it out here and value it, two million dollars delivered and we put up two million more, now there is not a dollar of working capital even though we are voting to give them two million.

MR. HIGGINS: Being a very humble man, knows a lot and knows he does and not admitting superiority but a little common sense, I take courage humbly to ask a few questions for the purpose of enlightenment. I now judge the company is formed with capital of two million five hundred thousand and I presume the other side are going to take all the shares in return for two and a half million dollars worth of machinery so after all the shares have no value at all, no par value, no stated value on a share. The practice has been in recent years for a small business, say a business worth about eight or nine thousand dollars to incorporate that business, sell the shares in the business to a company and value the shares at one hundred thousand dollars, about ninety thousand dollars for goodwill so they have at present a big business of one hundred thousand dollars while the actual worth is eight or nine thousand dollars, and

ninety thousand goodwill. What we are trying to find out—this company is going in two and a half million dollars and the Government two and a half and they bring it in in the form of machinery. I presume that is what they are to do. That machinery is to be put in that plant and our money is going towards the building of the plant, two and a half millions, then I presume the million dollars extra is given for good will for buying material.

MR. CURTIS: It might be but it is difficult to say at this juncture what the actual position will be except this: that we only match the physical assets they will produce. If they have two and a half million dollars worth, we match it.

MR. HIGGINS: That means two and a half million working capital and you have experts value this machinery and I presume they will look at the invoices.

MR. CURTIS: I presume that.

MR. CASHIN: It does not take experts to look at invoices.

MR. SPRATT: Mr. Chairman, I have listened attentively to the discussion and it is interesting to have this afternoon performance, going on day after day here, people actually looking for notoriety, taking advantage of anything to give them an opportunity to expound their wonderful opinion and in government affairs of this country don't you think for one moment that we have the welfare of the country at heart just as well and are as seriously concerned for its protection and of the money that we are going to lend for development. We are not going to give a hundred or a million dollars to any corporation if we don't see we have value for it in

strict accordance with the agreement. I take it as a gross insult to us otherwise and this afternoon the talk is only for actual personal advertisement. It has been already approved as was said here before.

MR. HIGGINS: Mr. Chairman, I am amazed at this gentleman, I am shocked. I thought old age would mellow his temperament, to give a quotation from Cicero: "Old age makes men mellow and happy and of good disposition." But not so damn arrogant that everything he brings forward must be right.

MR. CHAIRMAN: Order.

MR. HIGGINS: Perhaps it is the advantage of old age to think no one else has a right to speak, and on matters brought in henceforth we had better sit down and say nothing; for he alone has the interest of the country at heart. If that is the attitude of the members on the other side it is just as well to leave the place, they have the majority, and because you have the majority your opinions must carry.

MR. CHAIRMAN: This debate is out of order.

MR. HIGGINS: And I say the honourable minister tries to say he is in the majority and he is right.

MR. SPRATT: I have as much knowledge as you in Government affairs and more practical experience in building than you have and know how to apply them too. I know more about that actual matter under discussion than any one here.

MR. RUSSELL: It is not what the honourable minister knows or does not know. Do I have to apologize for trying to get information, get things right for information purposes? I don't

want myself on record—just inform me. I am trying to get information for the public, if the Government won't give it we try to pry it out of them, we got more information on this particular set-up of this factory, we got more information this afternoon than in the past two or three days. I make no apologies to the member, I am sorry if there is dirt flying but I can't apologize for seeking information the public ought to have.

MR. CASHIN: I take it now there is nothing carried yet, I am not half through yet, it has been a wonderful afternoon. Wednesday afternoon, as the Premier knows is the afternoon when most people come and we entertain them and consequently I am trying to find out something more about the invoice business. Wednesday afternoons I used to try to manoeuvre when I had a piece of so-called oratory to deliver to a full house. It seems like a little vaudeville, not oratory, this afternoon.

The thing is this. The honourable Minister for Provincial Affairs is indignant. The point I am trying to get at is this. If they put in two million dollars of machinery we put in two and a half million dollars in cash, if that plant costs them two million we match it with two million dollars and if that is so then our guarantee should be for two million dollars. After the plant is finished and costs four million dollars the Government has no right under this Act as far as I can read it. I am ignorant according to the Ministers of Health and Provincial Affairs, I am an ignoramus but ignoramuses are sometimes darn inquisitive. You have given another half million dollars working capital but only if they match it. They will match it with raw material that they bring in here to manufac-

ture, as a matter of fact they have no money but a lot of machinery that is going to arrive here which will be invoiced into the country. Whether the honourable Premier likes it or not it cannot come in unless it is invoiced and I take it when they certify it, these experts—you know that is a peculiar word in Newfoundland today, every second man you run into is an expert—but I realize these engineers are independent engineers and know their business. I don't know but it is a good idea anyway, one we will have to deal with here this afternoon. I remember one time we had refreshments in this House, well poor Old Hoodford is dead. However, if we give them two and a half million dollars and they will have a match for the two and a half million and we will have a mortgage for two and a half and it costs five million just the same, that is right. On a thing that costs four million it should be fifty-fifty and when the raw material comes in it is part of the working capital to manufacture machinery they have to import steel and iron. I am not in the building business and know nothing about it but I do know that anyone in the building business has to import material and they get invoices for it.

MR. SPRATT: I agree with that, yes.

MR. CASHIN: He gets invoices and certificates from the point of shipment and they should have it on this from the point of shipment.

MR. SPRATT: I agree with you but I don't agree with you when you say we have to put up more money than they have.

MR. CHAIRMAN: Order. At this point I must ask those in the gallery

to refrain from making any noise whatsoever.

MR. CASHIN: Why, Mr. Chairman, this is a wake, we got to keep quiet.

MR. SMALLWOOD: Let us make the noise, we are paid to make the noise.

MR. CASHIN: However, that is the situation as I see it and I have thought out the situation. Get the invoices and it is your job to get them in the Government not for the Leader of the Opposition, he is not in that position. You as Minister of Provincial Affairs and the Minister of Labour say we should not talk about it at all but your job is to get it. If you were doing your job you would be trying to get them.

MR. BALLAM: That is enough talk about this.

MR. CHAIRMAN: The Committee must confine the discussion to the matter under consideration which was the amendment made and the discussion is getting out of hand.

MR. SMALLWOOD: Mr. Chairman, we have a lot of extremely important business for the remainder of the day and on which we can have just as much fun, as my honourable and gallant friend derives from this Bill and if we have now debated it enough we might adopt it and go on to perhaps equally controversial matter to follow.

MR. RUSSELL: The speeches are too long on these subjects.

MR. SMALLWOOD: Yes, but packed full of information which the House wants.

Carried.

MR. CURTIS: Mr. Chairman, arising out of that there is a small amendment to clause two of the agreement, in line ten on page 2, after the word "provision" which is completed in the tenth and eleventh line, insert, "it is just a formal change because in one breath we are ratifying the agreement and in the next breath altering it so we just want to make the ratification."

MR. CASHIN: Now, we are ignorant people and not so well up so we want to have it made clear, what does that mean?

MR. CURTIS: The agreement is ratified as hereinafter agreed, as hereby approved, confirmed and adopted and then subject to the exception contained in section three, which is the section just put in. It is purely a formal amendment. In fact they are the precise amounts as agreed to last night with different wording but in different form, there has been no change in the Act or in the Bill, no change at all.

The Committee rose and reported having passed the Bill with some amendments. Ordered read a third time now. Read a third time, ordered passed and title be as on the order paper.

MR. SPEAKER: Second reading of a Bill "An Act to Approve and give Statutory Effect to an Agreement between the Government and United Cotton Mills Limited."

MR. SMALLWOOD: Mr. Speaker. I rise to move this second reading. This is a Bill which gives the Government power to provide for the establishment of still another new industry in Newfoundland, this time a cotton textile mill which in addition to making cotton textile cloth from the

raw cotton will then take at least some of the cotton cloth and further manufacture it into articles of consumer goods. By that I mean such things as shirts, women's dresses, aprons, tablecloths, handkerchiefs, flour sacks, sugar sacks, salt sacks and sacks for containing other industrial products.

This cotton mill, Mr. Speaker, will be undoubtedly one of the most important of these many new industries on the Government's programme of economic development. The owners of the mill have decided on their own volition that they should establish the mill in the immediate neighbourhood of St. John's. One of the most important factors taken into consideration by them is their need for very large quantities of fresh water and their need also for a convenient and equalized system of water disposal. Principally for these two reasons they have decided to establish the mill in the immediate vicinity of St. John's. I may say in passing that they have, although they themselves don't know this yet, encountered a serious obstacle within the last twenty-four hours in that the site they had chosen as being the most suitable they could find now turns out to be quite unavailable to them. The site in question is the property of one of our Newfoundland churches and while the owner is prepared to lease the land on a long-term lease the owners of the company don't feel that they would be justified in establishing a large enterprise on land to which they did not have clear title. They are therefore in the position, I fear, where they will have to find another suitable site. They want at least fifteen acres of land with a very plentiful supply of fresh water and at the time a convenient and economic means



of disposal of the large quantity of water which has to be brought into the plant in the course of the manufacturing. This plant will employ at the outset practically eight hundred persons. About forty percent of these will be female labourers and sixty percent male. Of the total number of eight hundred, a maximum of one hundred, an outside limit of one hundred, will have to be brought into Newfoundland. They will be key technical persons who do not exist in Newfoundland today. They however, these key technicians will have as their task, the task of training Newfoundland labour to be key technicians within six or eight or twelve months after they have begun their employment.

Their intention is to import into Newfoundland the raw material to be manufactured in the mill. The raw material, of course, will be raw cotton and the principal sources in the world of raw cotton are the United States, Haiti, Turkey and Egypt, although there are other countries as well which produce raw cotton. The raw cotton will be taken, cleaned, and sorted and put through all of the standard practices leading up to spinners and looms and the like to the finished article, namely, cotton cloth and as I have said, taken then at least a large part of it and manufactured into the finished articles ready for the consumer.

It would be worth while for a moment to take a brief look at Canadian textile industries today. The House is doubtlessly aware of the fact that the textile industry is one of Canada's great industries and a notable fact about textiles is that it is a giver of labour. A very large number of people must be employed in even the most modern and efficient

textile mill in the world. Canadian textile industry employs today one hundred and ten thousand people in the manufacture of cotton, wool, linen and silk, both natural and artificial. There are in that industry in Canada today two hundred and fourteen textile mills engaged in cotton alone, just in the manufacture of cotton. Two hundred and fourteen employing thirty thousand people and producing cotton worth over two hundred million dollars a year. Now Canada, besides being quite an important producer of cotton textiles, is not self-supporting in that article. In 1950, Canada imported from other countries, cotton textiles to the value of one hundred and twenty million dollars. So that it will be quite apparent to the House that Canada herself represents a very considerable market for cotton textiles. It is with a view to entering the Canadian market in general that this new cotton textile mill is being established in the Province of Newfoundland which forms part of Canada. The United Cotton Mills Limited, with which this Bill is dealing, is a Newfoundland Company incorporated under Newfoundland law. The owners of the Company are European. The Attorney General and I, a few weeks ago went through three of this company's five cotton textile mills on the continent of Europe, and I must say it was one of the most fascinating experiences I ever had in my life and in this I think I can speak also for the honourable the Attorney General. They employ altogether nearly ten thousand people in these mills; in one of the three mills that we went through there was one room, one large room almost certainly half as big as Bannerman Park, built of steel and concrete blocks and the entire roof of glass giving thereby an enormous amount of light. In

that one room there were fifteen hundred machines. I may say in passing that I have never before or since been in any factory where I heard quite such a terrific noise as these machines, these fifteen hundred machines operating all at one time. This company in Europe which owns United Cotton Mills Limited of Newfoundland have sixty thousand spindles and produce eight million yards of cotton cloth. Their mill in Newfoundland will certainly not be as large as their mills in Europe but it will be nonetheless quite a sizable industry even at the beginning because they have five thousand spindles and two hundred and twenty-five looms and will produce four million yards of cotton cloth, cotton fabric. We are particularly happy to be able to introduce this to the House and to this Province as it is such a fine large labour-giving industry.

I would say just one more thing, and this needs, I think, to be said. We now form part of the Canadian Nation and it is one of the astonishing things in the world today that a nation of only fifteen million people should be so vast a trading nation, the third greatest trading nation in the world exceeded only in actual value and volume of trade by the United States and the United Kingdom. That is to say that with a population of only fifteen million people—Canada today in trade is far and away the greatest in the world today. Which in turn makes possible the second highest standing of living in the world, following closely behind the American standard of living existing in the United States of America. That is one point. The second part of the point is even more significant and that is this: That in each one of the past four years the per capita capital in-

vestment made in Canada has been considerably greater than in the United States of America. In the present year, 1951, the staggering sum of four thousand million dollars has been invested in Canada as fresh capital investment. Four billions. Last year also the same was invested in Canada and in each of the two years preceding the sum was not far below. In those four years a sum of not less than fifteen thousand million dollars have been invested in the natural resources and in the industries of Canada, an altogether astonishing fact, one which augurs two things, first that Canada today is undergoing a tremendous boom, and two, that Canada's future for some years at least to come in the economic field is bright indeed with promise. Now, I make these two points principally to remind the House of the fact that industries established in Newfoundland, provided they are sound and economic in character, have a good future, provided they are so operated by men of skill and experience and drive as to enable them to compete successfully with their competitors on the Mainland of Canada. Now, Sir, I have never heard it said that certain companies, industries in Europe are deficient in industrial and commercial skill. Indeed the whole world knows that the industrial countries of Europe, Belgium, Germany, France, Switzerland, Czechoslovakia, are countries who are famous for their industrial skills, indeed throughout the world today many countries including parts of our own British Commonwealth have been very happy and very lucky to bring many scores of thousands of Germans, Swiss, Belgium, Danes, Swedes and British people from Europe as settlers, choosing them carefully to assure first that they pass the proper security tests to see that they were not communists and secondly that

they had valuable experience and skills to bring with them to their new homes. I suggest therefore to the House that we are on safe ground in starting a new industry here if two conditions are met, one: that there is indeed a market somewhere in Canada for the products of the industry in question and secondly, that the people operating the industry in question are reputable people possessing industrial and commercial skills and experience. Given those two conditions, that there is a market to begin with and they have the know-how, I suggest to the House that there is no reason why such industries should not prosper and succeed and help us here to raise the standard of our living in Newfoundland.

Now, I must say in connection with this Bill what I have had to say in connection with the machinery plant and the tannery, namely, that those potential owners of these companies are as poor as the proverbial church mouse when their wealth is measured in dollars, either American or Canadian. There are men today in Europe in all the countries of Europe including the Northern countries who are millionaires many times over who have to go to their own Government and plead for enough dollars to be released to pay their hotel bills when they come to this side of the Atlantic. There are no free dollars whatever on the Continent of Europe except in one country, Switzerland—no freedom whatever in the use of dollars. If a man exports any goods from France or Britain or Germany to a dollar country, any kind of goods, or sells them to a dollar country, Canada, the United States or any other hard cash country, these are paid for with dollars. Who gets the dollars? The government of his country. He is not

permitted to have any of those dollars. That is the law. Now I would not go so far as to say that in every case of a man exporting goods from the Continent of Europe to a dollar country all the dollars go back to Europe, that I would not venture to say. I would imagine that there must be thousands of manufacturers in Europe, especially Switzerland, where goods are sold and exported to dollar countries and they do not, in fact, bring back to the European country of origin all the dollars received for the goods exported.

MR. CASHIN: Do they bring back anything from the dollars here?

MR. SMALLWOOD: How that is done I do not pretend to know but my own belief, not knowledge but belief, is that many millions of dollars paid by Canadian importers and American importers, Mexican importers for the goods received from Europe do not go back to Europe but remain as credits on this side of the Atlantic. That is only a belief. This I know: that the regulations of the governments of every country in Europe except Switzerland require that all dollars in the possession of any of its nationals shall be handed over to the Government so that the only body in Great Britain and in every other country of Europe except Switzerland having any dollars are the government of each country concerned and if men need dollars it is to the Government they go to get them.

Now this company who are the owners of great cotton textile mills in Europe are placed in exactly the same position as all other business men, they have no dollars and so —

MR. CASHIN: How do they get their equipment out?

MR. SMALLWOOD: Is that any of my business? Now, because the contract comes into effect only from the moment the machinery is here on Canadian soil, and what part of Canada? Newfoundland. This company, therefore, cannot operate in Newfoundland a cotton textile mill or any other kind of mill without some dollars. So we say, the Government of Newfoundland, representing the people who own that money, we say both to this House and to the people, that it is good business for Newfoundland to lend dollars on a dollar-for-dollar basis to a reputable and skillful company. That is what this Bill asks the House to do. I can say here very frankly that the Government are deeply impressed by the reputation and character of the owners of the company, by their wealth in currency other than our currency, by their great industries and excellent skill and experience running back for about one century, and for that reason we have no hesitation in recommending to this House the adoption of the Bill which I now have pleasure in moving.

MR. HIGGINS: Mr. Speaker, I have the same opposition to this as to the other bills. It has nothing to do with natural resources of the country like the asbestos or the gypsum and we have no information here before us as to how we can sell these goods. We just have what the Premier has told us but in regard to expert advice, nothing at all. We are told all the raw material will have to come from outside from various countries, some of which he mentioned. None of the natural resources of the country are to be developed through this. There have been many manufacturing businesses in the world which have failed and manufacturers in Canada and the United States cannot be du-

plicated here. I go so far as to say many big businesses cannot be duplicated in competition with the United States. I am not going into any long argument but the same argument I used before in connection with the steel Bill I use towards this. It is a lot of money, two million dollars to guarantee and we have no proof of the success, nothing to show us at all how the industry is to be developed, nothing at all. Industries require extra good luck to keep out of the red when profits sometimes are very small and expenses very great. They have successful businesses in Germany or in England; that does not mean they will be a success here. I oppose this Bill until I have some information, some reports, some prospectus to know how it is to be a success.

MR. CASHIN: Mr. Speaker, in this Bill the principle is the same as the machine plant Bill but there is one thing I notice about this proposition from the financial point which makes it perhaps a better proposition than the machinery one. I see the Government guarantees two million dollars at four percent here and in order to raise money for the other company got to get four and a half. There is something peculiar right there to start with. The Bill here calls for four percent which is one point that has to be cleared up. Why this loan for four percent and the other for four and a half? And I will say the Premier in introducing this Bill gave probably more information than he did in connection with the machinery. At the same time the principle is the same and I agree to a great extent with the remarks made by the honourable Leader of the Opposition that this industry is not developing any natural resources in Newfoundland. However, if it can be shown to me

that this is a paying proposition, by pointing out a prospectus, I would be prepared to support it. True, the Premier gave us a lot of figures here of a textile plant in Canada. Canada however has billions of dollars but he did not give us the prospectus of the Company. At the present time I know some are making good money, the Dominion Textiles in Canada today are making about six percent on common stock after probably a century of business. I think the rate of dividends received in the Dominion Textile Company today is somewhere in the vicinity of six percent. But what is the stock on the markets? What price does a person get in that company when the dividends are declared? Get it on the stock market, buy it, what dividends do you get on it?

MR. SMALLWOOD: The honourable member knows the A.N.D. Company is an example. But before they were split their stocks were paying modest dividends, then suddenly found they were paying a modest one million and had not paid out any dividends.

MR. CASHIN: But their shares are not the same value as before they divided into three or four as the case may be. If they were selling at forty before the split, are they getting sixty for the shares now, or forty? They are getting it in paper profits—yes, and can sell on the market but what dividends are they getting? The party who buys today, if they go down to Parsons tomorrow and buy Dominion Textile, I don't know what they are selling for, but however much dividend I get for that stock six months hence when they declare a half yearly dividend, that is what my dividend will be. In this matter all we know that the textiles of Canada are a big industry but they have to import

practically every bit of raw material. they get it from the United States.

MR. SMALLWOOD: So would we—we have to import it, too.

MR. CASHIN: We are in Canada now and this plant is to be operated in the Eastern part of Canada, not the middle consequently you are up against transportation costs by water and land. The St. Lawrence river is not open six months out of the year and if you send goods from here to Ontario tomorrow you have to pay the freight rates from here by water to Halifax or Sydney and from Sydney in to Ontario over railway. And the textile mills of Canada, in Drummondville or around that area, are only three or four hundred miles haul, what is the difference?

MR. SMALLWOOD: A trifle. Trifling in the value of the cargo.

MR. CASHIN: By ship, yes, but you are to pay by rail.

MR. SMALLWOOD: The freight is trifling in comparison to the value of the cargo.

MR. CASHIN: Remember you are competing, Mr. Speaker, you are in competition but if you can show me right now that this is to pay and pay back the loan and pay the interest on the bond itself, show that and I will vote for it because it will give eight hundred men a job. Another thing I want to point out is this, I think the Premier made a great mistake in bringing up about the fact of exporting goods from Europe or Great Britain when they have to account to the Government. Suppose that in London when a fellow ships me four thousand tons of coal tomorrow—I say that because I know something about the business—I

have to pay him dollars. I have to put it up here but London is going to demand those dollars for that coal and are not going to allow the people that sell it to me to leave it here but are going to take it over there because they need these dollars and the same applies in Europe. He admitted that and it looks to be a peculiar situation probably it would have been better left unsaid on the part of the Premier. What is happening is this, and I would rather have a closed session to tell it, I don't want it made public because it would probably mean this Bill and every industry in here out of action by the simple statement I could make or other members could make. That is a very grave statement to make and I am sorry the Premier made it. It put the devil in my mind if I wanted to knock it and if we were in here in private session, not for publicity, I could tell you and knock this thing. If we guarantee money knowing this thing, we are told with reference to all these industries we pay no money until such time as a certificate is given by these engineers to the Minister of Economic Development. What proposition is there for labour and what of the machinery that has arrived already?

Now, I would like to hear, I suppose we will hear from someone why the difference in the rate of interest. There is four percent here, I don't know if I am able to read or not after yesterday's debate.

MR. SMALLWOOD: He knows how to read, the difficulty is he does not read at all.

MR. CASHIN: I take it back, Mr. Speaker. You need not laugh, I am prepared to take it back, you are never prepared to take it back and the least you might say in this House the

better for us and that is no threat either.

MR. SPEAKER: No personalities.

MR. CASHIN: Mr. Speaker—

MR. SPEAKER: It is not out of order for an honourable member to laugh. It is out of order for an honourable member to talk personally.

MR. CASHIN: Mr. Speaker, if I make a mistake I am prepared to acknowledge and it would be well for the Government if they were prepared to acknowledge once in a while and many of us are not excused from that category.

MR. SPEAKER: The honourable member is disregarding the ruling of the Chair.

MR. CASHIN: I regret exceedingly, Mr. Speaker, to use the expression of a former public man in this country, that I have been put in that position, I regret exceedingly, however when this Bill—I intend now, Mr. Speaker, with the permission of the House, to move an adjournment of this Bill until tomorrow, until we have an opportunity to discuss it further because I want to have a discussion in private, because in the interest of the Government and in the interest of the public that Bill should be discussed in private and I am sorry that I have to say it. We have to know the facts. Let us have the facts and there is only one way, a closed session.

MR. SPEAKER: Did the honourable member make a motion?

MR. CASHIN: I move the debate be adjourned until tomorrow.

MR. SMALLWOOD: I am prepared to second the motion if for no other reason than to give me an opportunity to make a statement.

MR. CASHIN: I don't think it is in order for the honourable member to speak.

MR. SMALLWOOD: As leader of the House, Mr. Speaker, I was going to say I would accommodate the honourable gentleman in having some delay in the debate, would that be in order?

MR. RUSSELL: Point of information, Mr. Speaker. I would rather not see the debate closed yet. I am not prepared to second the amendment in its present form, I am not quite sure of the wisdom of the clause that refers to one section.

MR. CASHIN: I take that back and defer the debate until tomorrow.

MR. RUSSELL: I second that motion.

MR. SMALLWOOD: Mr. Speaker, speaking to that motion, I am quite content to have the debate adjourned to give honourable members still further opportunity to study the Bill before them and which has been before them, I think, for a number of days, but we can postpone the debate until tomorrow quite all right. Now, with regard to a secret session, I think I am the one who stated here on opening day in my speech on the motion to appoint a committee to draft a reply to the Speech from the Throne that all the information which would not be in the public interest to relate publicly on this floor, I am cheerfully prepared to give to all members of the House and cheerfully and gladly prepared to give as I have stated here, but we, the Government for months, for a year past have been fishing in troubled waters in the interest of getting new industries for Newfoundland, fishing in troubled waters for which reason I would wel-

come the opportunity of a secret session of the House for the purpose of filling in the background, for I may say the same with regard, speaking now generally, with regard to the IBEC Report. We have nothing to hide from any member of this House but it is sometimes necessary, quite urgently necessary, in the public interest to withhold certain information for a given time. The time will probably come when it would be in the public interest to do that but there can be a time when it is directly contrary to the public interest, when we would hurt Newfoundland, and no Newfoundlander, no member of this House wants to hurt Newfoundland.

MR. CASHIN: In that I agree.

MR. SMALLWOOD: I understand what my honourable and gallant friend means and I hasten to say yes, we will gladly—

MR. CASHIN: You know that a crackpot or ignoramus like me, when he gets started what he can say sometimes.

MR. SMALLWOOD: I do that myself sometimes too.

Now, Mr. Speaker, may we go on to the adjourned debate on the address in reply.

MR. HIGGINS: Mr. Speaker, I have already had the opportunity of complimenting the mover and seconder of this motion, both made good speeches, however, there are too many, political speeches. One is a law student and in a short time will be, if the Good Lord gives him that time to live, will be a lawyer, and there will probably develop a more logical attitude and begin to realize there are two sides to every question and will also find that perhaps there is a third

side, a good side, a bad side and an indifferent side and when he gets to that position he will be a real good lawyer. Now, the honourable member for Fogo delivered his speech in his usual manner, but he is still young and he will realize that a rough speech and a strong diction and truculent one is not the best form for a debate. But he is still young and has a long time ahead, and I dare say expects in the future to get in the Cabinet and for that purpose should develop his diplomatic side and acquire a kinder disposition.

Now, I am informed it is not the duty of a Government to plan the economy of a country, that is the work of men of business who have by experience become experts. If the Government plans the economy of a country, businessmen must stand aside or fall in line with everything the Government does. They do not know what the Government intends to do and consequently perhaps chaos. Now, if the Government does so plan, it must go ahead. The Government says to one, you shall do this, and to another, you shall not do that, bureaucracy in the place of men doing business, many of whom are ignored and thrust into the background.

Now, we have heard much mention of the word "welfare state." Since the war there has been a rapid trend towards the welfare state, a real development varying considerably in different countries, some seem to regard socialism as a new rule of the future and the CCF in Canada tends towards that. Now, no one can advocate a return of the laissez faire system and indifference to the economic welfare of citizens and I feel that most people would not approve of the vast concentration of wealth, economy and final power in the hands of the few

individual groups and people. But we must not forget it was not government but private interests that built up countries, private enterprise made countries and peaceful relations became greater under private enterprise. The man who is putting money, effort and everything he has into business has to be helped and the pioneers who developed this side of the world by private enterprise were helped out by the Government in the beginning and given big concessions because they were ready to put money and ability into the work. It has not been by Government spending or by politics but by private enterprise, by men of energy, foresight and business ability. Our forefathers built the resources of this country and brought about the work and labour necessary to produce money for the government to carry on work. Every Government has its function but there is a great danger today of enlarging and endowing the government with authority for economic welfare, supplying our need and taking too big a part in the country's enterprise. One thing we can be sure of and that is that once the Government does join in they find a springboard administration and a vast array of public officials must be paid out of the public funds. They have no personal interest or initiative in the work being undertaken, we have seen it now in this land so public money is wasted unnecessarily. Now, one can carry on business better than or as well as private individuals. No doubt we have very able men employed in the Government of this country and other countries, and there is no doubt these men would have been getting bigger salaries out on their own or with industry. There is more in private enterprise than in working in public establishments but you will also find a large percentage of in-



competence, time serving employees if the Government runs the business. Now can the economy of the country be run by a government, by politicians who are not men trained to labour producing or management and they certainly cannot have the same incentive or interest as men running their own business or as men who are running private enterprises under somebody else? There is somebody over them to tell them what to do or not to do or to fire them if necessary. Now, if the Government runs a business and fails it does not go into bankruptcy, there are only added expropriations of the taxpayers' money to make up the deficits, but it is the public who foots the Bill, it always does.

There is no such thing as free education. For instance we talk about the schools, but the public has to pay for it, somebody pays and that somebody is not the Government, it is the people. Now, some economist made the following remark which is very appropriate. "The motive power to drive people along the road to welfare is a natural urge to receive without giving."

Now, the old idea of service which existed in the past years is rapidly diminishing; we hear a lot about crisis and it is actually unfortunate a lot of people benefit but man cannot live on bread alone, cannot live without a sense of economic values and a sense of spiritual values. You can go too far with benefits. In the United Kingdom in 1951 people voted because they were offered a chance of improved conditions and little thought was given to the idea of the fact that the Labour Party was planning a policy of ultimate socialism. Now, there is no doubt much good has been done by the Labour Party,

work was found and many social benefits brought in and certainly a very great improvement in the welfare of the ordinary man, but unfortunately there came a journal change in the terms of its policy and labour felt itself strong enough to go ahead with the policy of nationalization or socialism but the more modern found themselves out-smarted by the younger generation and deep-thinking people became alarmed and the term socialism began to acquire a sinister meaning and people remembered that communistic governments are now controlling many European countries which had been preceded by socialist governments. The Labour Party was in power for a short term of years and it was foreseen that if they returned to power they would be in a position to produce what they always believed in, complete socialism, a complete policy of socialization. Now in New Zealand the labour party in its latter stage dictated the price on the markets, permits had to be obtained to start any business, there was rent control, business control, import control, all hampering free enterprise and the result was that open competition was almost entirely eliminated, there were detailed forms to fill in and consequently unnecessary delay. The small producers of goods had to sell out in the open market long distances away and were not allowed to sell to their neighbours next door. They found this interfered with private enterprise and they found liberty was bad; the final defeat of socialism was helped by the fear that the state would eventually take over the land and the English are like Newfoundlanders, fond of land, not hungry for large amounts but every Newfoundlander has his piece of land and as I said before that land is sacred, consecrated by the sweat and toil of generations.

Now the Labour Party never advanced any intention of nationalization of the land but they have never repudiated the idea of socialism, they have socialized mines, and industry, and all now left for the Labour Party to do is to take over the land itself and the result was that the Labour Party was defeated in the next election.

Now where are we heading? Is the Government intending to take over all business and enter in competition?

MR. SMALLWOOD: What business have we taken over?

MR. HIGGINS: Don't interrupt me—is the Government intended to take over all land irrespective of where it is? To take land as a pig to be bought or sold?

MR. SMALLWOOD: I don't regard it as sacred or holy. It is a piece of property.

MR. HIGGINS: A pig to be bought or sold. A government who feels land should be taken over, regards it as nothing more than chattel.

MR. SMALLWOOD: That is all it is, a bit of property.

MR. HIGGINS: It is a little different than chattel though, it is sacred—to take over some land and pay nothing for it.

MR. SMALLWOOD: We do that in the slum areas, they should pay the public, not be paid where they are a threat to the public.

MR. HIGGINS: A man is entitled to keep what he has gotten by the sweat of his brow. What is done in one case, Mr. Speaker, could be done in another and it is about time now we understood what the Premier meant and what he plans in the future—if it is in the public interest

to take a piece of land, no matter where it is he will take it.

MR. SMALLWOOD: We are here to serve the public.

MR. HIGGINS: Yes, in the proper way, but every democracy respects the rights of private individuals and you are going to put the public first and private people afterwards.

MR. SPEAKER: Private conversations between honourable members in the House is definitely out of order.

MR. HIGGINS: Mr. Speaker, I repeat, the Premier intends to regard private rights as nothing at all—the public must be served first. That has been tried in other countries but private rights are paramount, the right of the mother and father to take care of children in their own home is important. That is not coming, it is a fact, Sir, because we cannot interfere with private rights and no man can have his home taken from him unless it is absolutely essential in the case of national emergency.

Now, Sir, the Government is entering into enterprise?

MR. SMALLWOOD: What business?

MR. HIGGINS: You loaned money to various associations and why invest money which helps out a company more than any one else? The private enterprises of this country have carried on and given adequate work for years and had to work hard, and a large number who had small beginnings grew and built on our natural resources but they had competition from some other private individuals, plenty of brains and plenty of competent workers to do the work and do it adequately. And the hard part is a large number of these lost a lot

through Confederation. Lending money to one company in competition with another, if that is not government entering in business I don't know what it is.

Now we heard of Dr. Valdmanis. I say it might be inopportune to bring up this matter at this moment and I would not bring this up but the Prime Minister made reference so much to the PC Party. Now, I will admit I was worried about the charge made and the fact that no proper evidence was produced to offset it because if those charges are true such an individual should not be permitted to stay in the country and if not there should be an apology and retraction given. I hope this finishes the matter and it is not fitting that this House bring up personalities of this kind. Time after time now we have had some slanderous statements made in this House against some people who could not be cleared in court and Dr. Valdmanis should be very thankful the charges were brought in in newspapers and action may be taken and I am sure some individuals who were slandered here would have taken action except that the remarks were made in a privileged place. Now, in the matter of Dr. Valdmanis we heard a lot of heresy evidence when the Prime Minister implied that somebody on the other side acted in an outrageous manner when translating that article from Jewish into English and added the word "anticatholic". I never knew the word was there nor never asked until I heard that statement. Now, we know there is many a mean trick between politicians and one side will do a thing to blame it on the other but that is just as credible as the heresy evidence of the Government when he said some of the PC's must have written that article.

Now, when we brought up the Seigheim enterprise he said there were groups trying to ruin the Labrador and we asked who the parties were and got no answer. The Honourable member for Bonavista South brought up that—he tried to give the implication to the country that we really were the ones trying to ruin Labrador.

MR. SMALLWOOD: No.

MR. HIGGINS: When you charged that, people would think we were the ones, who else would it be? Now we find it was the Paper Industry who was the one responsible. Now I don't know. I know somebody gave me an article on Dr. Seigheim, I don't know if I have it or not, it is a newspaper clipping, only a copy.

MR. SMALLWOOD: I did not refer to that but to a letter to people in Washington.

MR. HIGGINS: You said the pulp and paper association had written a letter to people in Washington. Do they own the Pulp and Paper Magazine? There is an article there, I thought that was what you were referring to.

MR. SMALLWOOD: No.

MR. HIGGINS: Now, in view of what the Premier said, he insinuated or said out openly that there are powerful associations now which are attempting to ruin the possibilities of the Labrador.

MR. SMALLWOOD: Yes, I did.

MR. HIGGINS: However, we have reached that stage in the development of Newfoundland where powerful Canadian interests are trying to stop the development of Labrador, he says that. Now, the Premier has waxed indignant over the treatment shown to some of

his visitors and presented a bold front against the army, air force and navy and even served notice on the RCMP. Someone in this country was impugned he said. He told us this country is sovereign, such a piece of perfect nonsense and no one knows better than he because he is one of the ones responsible for taking away the sovereignty.

MR. SMALLWOOD: In property and civil rights.

MR. HIGGINS: Imagine saying the country is sovereign with the Canadian criminal code all around us and can be changed in Ottawa only and not by this House but in Ottawa where is placed Federal Customs Authority. We are citizens of Canada and ruled by Federal Authority and thus immigrants can be refused entry not by this House but by the Federal Authorities. Let this be the last time we are reminded of the sovereignty of Newfoundland, sovereignty means supreme, to be in authority in this House, supreme in this country, where any law can be passed and is supreme without any interference from Canada; properly we are only sovereign in a limited way.

Mr. Speaker, you know as well as I do that there are two limitations and the Government ought to recognize that, one: they must carry out the conventions.

DR. POTTLE: Sovereignty is always limited.

MR. HIGGINS: Limited by the natural decencies of people running parliament and limited by fear of elections and fear of elections in the future.

MR. SMALLWOOD: I think he is going to point out the Canadian Parliament has only limited sovereignty.

MR. HIGGINS: I admit they are governed by the British North America Act, the only one who is sovereign in my estimation is the British Parliament. The House of Lords is absolutely supreme in authority, they can do what they like, they can order that the Prime Minister of Newfoundland can not be allowed inside its precincts. If they passed a law that he should not be allowed to land in England, that would be a good law, it is the only sovereign parliament in the world and I say Ottawa is not sovereign any more than Newfoundland.

I am getting tired of insinuations, why are we not told, where is the trouble—I see the honourable member for Ferryland went out for a rest. Now, if for instance the honourable member for Ferryland went out there while the House is in session as a member of the House on business, but if he went in a private capacity and was arrested while the House is not in session we would have to have some explanation but only as a private individual, I am drawing the distinction. Now, we know the Prime Minister's views regarding a party that was subject to some inconvenience; now, after all it is a reserved area and certainly safeguards are essential. He mentioned that sometime, when there is a war, now we don't know our friends from our enemies, and there are wars all over the world and in those conditions there have to be rules and regulations strictly carried out and if they have no proper credentials and wander outside the area it is only right they should be—

MR. SMALLWOOD: But they had proper credentials, it is my business to know.

MR. HIGGINS: If they have the best intentions in the world, yet the

rules have to be carried out and if I get in some place and have no proper identification I am stopped, even if I ran around Goose Bay in my own country, even I, a Newfoundlander, but if I get in the clutches of some foreign power then if I get obstreperous and gauged by officialdom, not by the officials of my own country but of another country, it is as if an individual wanders outside the line which is strongly drawn around the airport and the land outside. They have to take the consequences and I presume that is what happened.

MR. SMALLWOOD: No, that was not so. They were met at the plane and taken under restriction and conducted from that plane.

MR. HIGGINS: After all why should not they as well as anyone else?

MR. SMALLWOOD: I have gone there and it has not happened to me.

MR. HIGGINS: I know but there are rules and regulations, we have to screen people.

MR. SMALLWOOD: That was all done before. They were checked and had their credentials issued by the Canadian Government.

MR. HIGGINS: Now, that is grand. I am glad to hear that. I am glad all this has come up—now if these statements were made by me against the Canadian officials I can see the Prime Minister getting up and waxing indignant if I attacked the officials of the pulp and paper industry, he would say listen to the anti-Confederate spouting his rotten words against everything Canadian, blaming everything on Confederation. I can see him, his voice rising "die-hard." Now, there might be a lot of

truth in what he said if he were to pass that remark but I tell you this that though I was anti-Confederate, I never attacked Canada or undermined by any mention of the Canadian Pulp and Paper Association and cry out iron curtain—

MR. SMALLWOOD: I did that.

MR. HIGGINS: If I did it I am saying, it would be talking anti-Confederation, Mr. Speaker, the Prime Minister is attacking me; I never said anything as bad as that though, I never had that in mind to think anybody in Canada is acting under the iron curtain, I never went as far as that and never said the people in Canada treated us as badly as they treat the people behind the iron curtain. I find the Canadian people fine, I have been to the Bar Association Meetings and they don't attack me for being anti-Confederate they have sympathized, decently. I tell you I never once said in my life we have not the right of free speech, I must say we have in the British Commonwealth except apparently in Goose Bay.

MR. SMALLWOOD: But the honourable gentleman has gone out and spread to the whole world about the rum being weaker.

MR. HIGGINS: Now—I thought they had a sense of humour but this one fellow didn't and, Mr. Speaker, when he interviewed me last March, and I am going to tell you that is so, one thing we did have here was the good real solid stuff but now we have damn Canadian trash and I told them up there and, I can tell you there again they would love to get the tang of a little drop of whiskey and rum that is real good. It was one real good thing which had to be taken

away and that is a pity, I am sorry that had to happen.

MR. SMALLWOOD: Not at all, we have the best rum in all Canada.

MR. HIGGINS: So far it is good but I am waiting for the day to come when it is to be watered down.

MR. SMALLWOOD: I am just reminded by the honourable Minister of Public Welfare it is one of our liquid assets.

MR. HIGGINS: In other words our greatest asset, if taken in moderation it is all right but I must say some of it here is a little bit weaker.

MR. SPEAKER: Will the honourable member permit me now to call attention to this fact, if the honourable member is speaking at six o'clock, he will have to rise and automatically the House will be adjourned until tomorrow. If it is the intention to sit tonight, I suggest then that the honourable member would not conclude but stop speaking at about one minute to six and motion be made that we do not adjourn. I say that for the information of the House.

MR. HIGGINS: Well, talking about reports of the Labrador, as I was saying, what of the IBEC Report, I understand it was four million dollars?

MR. SMALLWOOD: No, seventy or eighty thousand, I think.

MR. HIGGINS: I asked for that information once before. Now their report was not made public. I don't know why. And as I said before the truth does not injure anybody. Now, the implication was that if we could only get those people interested they would come down and invest millions of dollars and now after making this

investigation did they lose interest in the Labrador? If so where is all the money we were promised we should have? What did the IBEC Report do?

We are having a lot of trouble, Mr. Speaker, in connection with the freight rates; we went through a long process to get better freight rates only a year ago and now the question is up again and the one that deals with the Canadian National Railway, we were under no contract or agreement and the treaty was made between two supposedly sovereign countries. We were sovereign at the time and Canada representing itself was a sovereign country then and is still a sovereign country. The CNR had no part or parcel in the signing of this agreement. According to the terms of the agreement Canada took over our railway and supplementary industries and they were entrusted to the CNR. Remember we are not in the same position as the Maritimes regarding the Canadian National Railway and freight rates and consequently should not under any circumstances join hands with them for this fight for lower freight rates, they came in under resolutions but we came in under solid treaty contract and that treaty remains in existence given statutory authority under the Parliament of Canada called the Newfoundland Act. This Act is a new Act to give effect or statutory effect to the Terms of Union which were passed between Newfoundland and Canada. If we want to find our rights we don't go to the British North America Act but to the Terms of Unions and we look to Canada and not to the Canadian National Railway. If we feel we are prejudiced in our rights or curtailed in any way we do not appeal to the Canadian National Railway, or associate against the agent but the princi-

pal. The CNR are only an agent or trustees to carry out the Terms of Union. I move the adjournment of the debate.

MR. SPEAKER: I think that a motion to adjourn the debate is rather nebulous because it would leave it until tomorrow afternoon, I would therefore make a new motion. Is it your intention to resume the debate tonight? Then the motion would be not necessary. I don't see how I can take that motion. I wonder if you would move rather to a later hour this right as I think there is to be another motion to sit again tonight. I think you had better let me interrupt the honourable member and then he automatically resumes his speech when we sit again. So if the honourable member would consider himself interrupted he has the right to resume.

MR. SMALLWOOD: I move the House do not adjourn at six but recess until eight o'clock.

Recess until 8:00 o'clock tonight.

#### NIGHT SESSION

MR. SPEAKER: The honourable Leader of the Opposition resumes his speech.

MR. HIGGINS: Mr. Speaker, before the adjournment of the debate I said that if we should feel at any time the terms of union are being broken in any way it is to Canada we must look and we feel that we are within our rights, our rights in connection with the railway, then it is not with the C.N.R. but Canada itself and I say it is again the principal and not the agent. The C.N.R. are only an agent, a minor agent to what we may say is only one industry of Canada. It is not against the C.N.R. we should

take action if we desire equal treatment, and we feel that proper interpretation should be put on those words; it is not the C.N.R. we should ask to come into the matter but the Supreme Court of Canada which interprets all the Acts of Canadian Parliament. I certainly would like to know what happened in Ottawa before the terms of union were signed, what happened at the preliminary meetings. We should know, and this House should be told what happened at these meetings, the minutes should be shown to us that we could see exactly what happened, what was discussed there and know exactly what was agreed upon and why, we can never know why certain terms were settled until we hear the discussions and then we can get the proper interpretation on the various matters which were finalized. Two lawyers were at the meetings, Mr. Bradley—we won't get much information from him, and one other, Mr. McEvoy signed the terms and was Chairman of the Convention when the terms came up before the Convention. I think it is his duty to tell us. I told him here today that it was his duty when I saw him in the House. Mr. McEvoy is a man of knowledge, a very fine constitutional lawyer, a very fine lawyer. I think he knows more about the constitution of Canada than any lawyer here, certainly more than I shall ever know. He certainly knows the effect of the terms of union on the constitution and various other matters concerning Newfoundland more than any other lawyer. Has vast experience of the terms, was chairman of the convention when the terms were discussed and there is no one more competent than he from that standpoint to give the interpretations of the Act which embodied the terms of union between Canada and Newfound-

land. I tell him now it is his business to tell us all. What right has anybody to put secrecy on debates or matters concerning an independent country, which we were at the time we entered and all things which pertain to the independence of this country should be laid before this House. Why is not this House in possession of all the documents pertaining to debates concerning the terms of union, or that made up the terms of union. The House of Commons in Ottawa you may be sure has all the material and anybody can see them. How do we know what happened, what matters were discussed, we have not been told any of this and that is why I say somebody should come out and tell us now exactly what happened and get a proper interpretation of the terms. We had a discussion here about our railway employees, about what pensions and what terms they should get and we had long discussions with the C.N.R. I think we should have gone to the Cabinet of Canada and discussed that. We don't discuss things with agents but with principals. If the country is suffering or if the terms or any matters dealing with the terms are not properly interpreted it is our business to go to the Supreme Court not to the C.N.R.

Now that I have finished that matter, I turn to a minor one but of great importance to the country. To ask the question, what is the government to do in connection with farmers? In the big industries brought before us is there any room for the farmer? One of the healthiest, finest and nearest to God's occupations is that of farming. The farmer creates, he is a small capitalist, nearer to nature than anybody else, grows good food, a creator but you must be able to sell produce; it is no good to work hard from dawn to sunset and deep twilight

and produce good crops unless you are able to sell them and the man hardest hit through Confederation is the farmer because we have become a dumping ground for produce from the Maritimes, Prince Edward Island. Now farmers can be divided in to two classes. That work which is done by a farmer acting only in that occupation, full time farmers, and then those who live partly by farming and partly fishing, fishermen-farmers. We have to look out for those people, a fine body of men. Farmers in every country are looked upon as a very fine body of men. Farmers in every country are looked upon as a very fine class, very industrious, very conservative, I don't mean in politics, but he is himself a conservative by nature, say what you like. Now, something more should be done for the farmer, he should be encouraged, and we should ask the Minister of Agriculture to come down here to see that we are getting the full benefits of confederation in farming. On the Mainland there are a lot of experimental farms and they carry on special research and people are encouraged in various towns and little villages to hold fairs and a competitive spirit is created which would do this country good. We have one but it is not big enough, the prizes are not big enough. There is one thing certain, the farmer class must not go under. Now, I asked a question of the Acting Minister for Natural Resources about cabbage, I think the largest produce, this year, of crops is cabbage but there is also turnips, and a farmer told me the other day he had seventy barrels he could not sell at all, and he wanted to know where to sell it. If there is an accumulation what provisions are made for selling, the same with cabbage and this time of the year what provisions are there to sell?



MR. SMALLWOOD: They have all the Fall and all the Winter ahead of them yet.

MR. HIGGINS: They can't keep them all that time.

MR. SMALLWOOD: That is the trouble, they can't keep them.

MR. HIGGINS: Sometimes it might turn out all right but sometimes it does not and now is the suitable time to sell before the frost comes into the ground.

In the Speech from the Throne nothing is said about the fishermen. Now, I am not going deeply into this subject; it is too vast to take into account but the fishery itself is the sole mainstay of this country; for about three centuries it was the sole mainstay, indeed up to 1850 no people were allowed without permission of the authorities to put up permanent buildings in Newfoundland and nothing but fishing could be carried on out here. But fish now, we are told the Labrador fishery is doomed and I may take it for granted it is doomed. But to my knowledge the fisheries of the Mainland produce little over one percent of the total revenue of the Dominion but it is a far different story with us. We begin to realize that fact when we remember that sixty percent of all Newfoundland revenue comes out of the fishery. Now, the fishery on the Mainland could be an absolute failure and it would not affect the economy of Canada but if our fishery is a failure it is a loss of sixty percent of our revenue. Then I am afraid the Country and we all would suffer very badly, almost everybody.

Now, there is one class of fishermen here who must not be forgotten and that is the one who fishes all the year around or some ten months of the

year, others fish just during the summer and part of the Autumn. Now, the year around fisherman must find it at certain times a hard task, a hazardous task. That man does not want a fancy boat but he wants one to serve him in all kinds of weather, he wants it large enough to hold all the fish he can get and he wants a fairly good engine. Some have good boats, good engines but many have not and the Fishery Loan Board can do it or somebody else has to do it. The prosecution of the fishery is now-a-days a heavy outlay—rubber boots, lines, twines and other commodities have gone up and there is a possibility of still further inflation and even his tobacco has gone to 67c. a plug. Now that may mean nothing to you or me. I take my cigar and it would not make a big lot of difference to the sum total of my happiness but to the fisherman it is a tragedy when he can't get tobacco. Don't forget that when the Commission of Government decided at one time to supply fishermen for the fishery and the fishermen came in about what they wanted they invariably put down tobacco and the Commission of Government found tobacco not to be a food, but the clergymen and doctors and all those told them a most important item of fishermen is tobacco and it was an essential thing for him out in the cold ocean and basically essential and they were supplied with tobacco. It is now 67c.

The cost of living has gone up in this country. We all know that it is to go up higher and higher and the supplies for fishermen have gone up and something should be done to see the lot of the fishermen is made easier because after all the price of fish has not gone up. Now, all the fishermen want is that there should be a floor

price for fish. He knows that if there is a market and a floor price he does not have to worry. Everyone knows he does not make much money. He is quite satisfied to make a modest amount of money. He does not want luxuries. The fishermen want work and wages commensurate with that work. Family allowances are all right up to a point but cannot supply the living that is necessary. There is nothing basic there, it would mean just the same if there were a few cents more for fish but he cannot live on bread alone. Now, the fisherman like his work, likes to fish. You go down to Outer Cove or Torbay and you will find they prefer to go fishing than at any other occupation. Fish is in their blood and they like it. It is a bitter task, they have the sky above them, the sea below, and storms, but they are ready to take the chance. They like it. Now, those of us who are not attuned to the sea, it is all right, we are in view of the sea and travel on it in summer but that is not fishing. Some cannot understand why the fishermen like the sea and like to go out and fish in the winter. Don't talk about depreciation of the fisherman, he is a dignified man and we have more common sense and decency and courtesy and natural knowledge in our fishermen. I have discussed it with many of them and they like to fish and God gave us a breed of men who like the sky above and the sea below. The people of this country have travelled everywhere and have been all over the Mainland long before Confederation, have gone down to the West Indies, gone everywhere, all over the world and they are intelligent people, they are proud people and I am sorry that that breed of people are going and it will be a terrible pity if they do. What are you going to do about the fisheries? That

is a difficult question, I am aware, at the present moment. The fisheries are highly speculative and it is hard to cope with it when the business is speculative. You can have cooperation in connection with the lobsters. You can always sell lobsters. There is always a market for them. But with salt fish it is a different case. I don't know, but the Government should do something. Now coming to the fresh fish business I understand a lot of firms are doing well but a lot of people want to carry on on their own, they are independent people.

Now there is one thing we must keep in mind in Newfoundland. We must keep in mind that the fishing industry must not be allowed to lapse. If the fishermen give up for a year or two there is a danger that they will give up forever. The main reason why, the fishery would be given up for one, two or three years then the gear deteriorates and to start again would cost a fortune. That was particularly noticed when they started to build highroads throughout the country. They left their traps and went on the highroads to make three and four dollars a day when they could get five and six dollars a day at the fishery. The trouble was that the money on the highroads was surer and the fishery is speculative. It is difficult to rehabilitate many of them and it costs a lot of money. Therefore I say encouragement should be given by the Government and fishermen should look on fishing as a vocation and not other work for one, two or three years and find when the period of time is over the fishery is gone.

Now it is very hard to follow the attitude of the Government in some cases. The Bill to create the Crown Corporation was rushed through at

the time, it was immaterial whether sufficient time was given to the Opposition and the public to peruse and consider the Bill. Not a moment must be lost, the Act must be passed, and the Corporation would start work without delay. Now, five months have gone and what has happened? Everything is still in prospect and nothing in retrospect. Apparently the Government is looking ahead all the time and still doing nothing. Why all this hurry? The Crown Corporation Legislation had to be railroaded through despite the Opposition to have the matter adjourned, and this was done on Thursday and we were told that the immediate operation of the Crown Corporation was absolutely essential and now at the present moment matters of importance are being rushed through. We have no technical reports, no prospectus, nothing but the clear vision created by the speech of the honourable Prime Minister in each case setting out what is to be done. We have no knowledge, no expert has been asked how the business is to pay and yet millions of the country's money are being jeopardized. Now, what other parliament passes Acts under such circumstances? The trouble is the Cabinet has superiority in the House, the Cabinet has thirteen members and the deputy speaker and the speaker have no vote so that they have a majority. Therefore without any real information this House is asked to pass Acts creating liability of this country and taking otherwise vast amounts of money, millions of dollars and we are told in the most optimistic spirit that everything is going to come out well, millions are to be made from industry, five hundred thousand dollars a year each. That is clear optimism where one should be concerned in the case of spending money be-

longing to the country, careful of the money, guardians of the future; not only ourselves but our children and our children's children must be provided for to see that we pass on the heritage passed on to us. I hope everything will turn out well but the best laid schemes of mice and men aft gang a-glee and leave us not our promised joy.

MR. MAKINSON: Mr. Speaker, in rising to the motion, Sir, I wish to be very brief and I first of all would like to congratulate the mover and seconder and other members who have spoken—some interesting speeches, some trash. Some of mine may be in the latter category, you may be the judge.

I stand, Sir, to support this economic development programme and to give a few reasons why I support it and why I have faith in it. It is my loyal duty I know as a private member to support the Government when we come into this Chamber. However, I am quite convinced and I would not be so anxious to get up on my feet and support this programme were I not absolutely convinced in my own mind it is the only chance for the people of my district and many other districts. I would go so far as to say every district in Newfoundland and Labrador.

First of all how are we getting this industry? Well, we are getting it simply because we are fortunate enough to have a Premier who is far-sighted, has an abundance of energy and enthusiasm. If he did not have these qualities I feel sure that the development which he undertook some three years ago would have been advanced far less than it has today. In order to get this industrial development this Government, as I see it,

must make it attractive. How did they get immigrants into Canada when they first colonized their vast country? They had to make it attractive for them, give them something they could not get elsewhere in the world. They gave them vast tracts of land in which to farm and build up their homes. They helped them in every way possible. This Government is more or less following the same plan which worked out so nicely for the rest of the Dominion as well as the great republic South of the Border, the great country south of the border that has industrialized so quickly and so efficiently during the last century.

This Government, as I see it, Mr. Speaker, has picked out a very opportune time in which to bring in industries to Newfoundland. It is the most opportune time we have had for many years. The companies that are coming here lacking the capital, they lack not the capital but the dollars with which to develop—they have the capital in their own countries. However, when they come to this Island of ours they find out they have not the dollars. The Government has gone so far as to guarantee, float loans by guarantees, back their bonds to the extent of twenty-five millions. Mr. Speaker, if by so doing it will give fifteen thousand jobs to our people I feel the action in this respect is more than justified. The reason for my assuming that it is sound is the fact that these industrialists that intend to establish here have come and seen for themselves or had their engineers come in their stead. But nevertheless they have looked over the proposition before just jumping into it blindly. I think that they are far more capable of judging whether or not these industries which they propose to establish are built on sound foundations, far more than anyone

else in this House and perhaps better able to acquire the knowledge for themselves than anyone could give them in this Island. They have satisfied themselves to the extent that they are willing to risk, they are risking just as much if not more because you have to take more than what the Government stands to risk and as I understand it when they put up fifty-fifty the Government immediately takes a mortgage on the total. Personally, I think it is a very, very sound business proposition. Not only that but we have learned here in this House that these industries that are established or are about to be established here will have a competent commission appointed from the start who will go over their equipment, estimate the value, make sure this Government is protected, which sounds very sound business to me. Lastly, but not the least we have the Director General of Economic Development, Dr. Valdmanis who has been attacked in recent days so viciously in a foreign paper. This attack which many of our people may have thought had some truth in it—I must congratulate those members of the press that had the foresight not to publish any of this foul attack before they were sure that it had some foundation. However, it was my opinion from what little I have heard that this report first germinated in Toronto, no doubt communistically inspired. I would hate to think that Newfoundlanders were so base as to carry mimeographed copies and add to it and circulate them, I really don't think any such thing happened or was done by Newfoundlanders here but rather would I believe that these copies may have come from the place where the report originated.

Then again, before these industrialists finally pass the test, they are con-

sidered in Cabinet. Now the Government, I know, has been accused of practically everything, their sanity even questioned which puts me in mind of a little incident that happened a few years ago in Edmonton. I happened to be in charge of the RCMP station at Fort Norman in the North West Territory and had occasion to send a mental patient out to Edmonton to undergo treatment. He was cured and a year or so later a man who was in the mining profession in White Bear Lake happened to have occasion to make a trip to Edmonton and who should he meet on the street but this man. His name was Willet. He came up to him and said; "Hello, how are you? "I am a better man than you are," and Boland to avoid trouble agreed with him. "Yes," he said, "I have a certificate in my pocket that says I am sane but you can't produce one."

MR. HIGGINS: Are you trying to imply you are insane?

MR. MAKINSON: There is no doubt, Mr. Speaker, I am willing to give the Premier and the Cabinet and the Government, even though they can't produce a certificate, I am quite willing to give them the benefit of the doubt and I know that their judgment in these industries is sound, they are men every one of them. When I first came into this Government there were only two I knew slightly. I knew the Premier slightly. I had listened to him making his arguments and points in the National Convention, I followed his activity closely and the honourable Minister of Health I knew slightly. The others I had never met before. And coming into this House I will admit that I did not know just who I was coming in with. I heard reports that they had communistic tendencies; they

were this and that. However, Mr. Speaker, during the years that I have had the pleasure of sitting on this side of the House and associating with the Cabinet Ministers, the Premier and all the members of the Government, I have found every one to be a gentleman, I may say I have found no communistic tendencies and I have found something that I am very glad to associate myself with, every single man is doing his utmost for the people of Newfoundland, and I will go further, I am firmly convinced that every member sitting on the opposite side of the House, even though tearing down in some cases, I would say is trying to dig out information for the public, I don't lay too much stress on that little point here and there. The press has not been too kind to them, at times they have been accused of putting up a very weak opposition. However, Mr. Speaker, I think they have done a very good job but there is not very much opposition that could be put up against the Acts and Bills brought in by the Government today, they can get the information and they try to dig down under; however, I don't like to see certain little points harped upon as though the Government is in some vast plot they are ashamed to bring out when it is to the advantage of all Newfoundland that they should be kept out of the press. We hear that those industries to be established mean rapid industrialization. Again I claim that the Premier himself knows well they must be more rapid to prevent the exodus of our people from those shores.

From the Port de Grave District alone a great proportion of the cream of the country have left and gone out, they are going out and are going to keep on going out—nothing will hold them if the Government does not have

the courage to risk this twenty-five millions in backing the securities for these industries. There will come a time and not so long either when there will be very few people to account to unless life in this Island is made easier. They are better educated, the educational standards are improved and people will not live the same way their fathers lived, they want something better and will go where they can get it. The only hope and salvation for this island is, as I see it, in industrialization. It is very little consolation to the people of my district or any other to know the Government has a surplus of some nineteen or twenty millions, that our per capita debt is only ten dollars. They are not so much concerned with that as they are in the price of fish, with the jobs that they can not obtain. However they are obtaining them now through this industrial development and right now they are beginning to feel the benefit of it. And yet it is very little satisfaction to the public because no matter what form of government is in power in Newfoundland unless there is work there is nothing. The people must have work and they shall have it or else leave, and I don't want to throw too many bouquets as a lot have been thrown already to the Premier who deserves every one for his foresight in development which I am afraid otherwise this country would be throwing away for the sake of risking twenty-five million dollars. Anyone who is not convinced of that tell him to go to the people and ask for a mandate and they will see. Now, I don't want to be unkind at all to my old friend who sat so long here on this side of the House next to me, the member for Bonavista South. Mr. Speaker, I often wondered just what little peculiarity, as we all have, the honourable gentleman had, and in a

self-analysis the other day I think he hit it right on the head. He lacks that power of enthusiasm. It may be a virtue, however I am afraid that first I have to have enthusiasm for anything I tackle otherwise I don't think I would bother to get out of bed in the morning and when things get tough I think personally we need an abundance of enthusiasm on which to draw in order to have courage to carry on. I have heard a lot of this famous pie and the bird in the pie, its toughness, and the salt that is required to digest it or even to swallow it. Mr. Speaker, we may not require just so much salt as the honourable gentleman mentions, perhaps when the pie is finally opened it may be indeed a dainty dish to put before the people of Newfoundland.

May I refer to the remarks made by the honourable member for St. John's East when he mentioned the farmers. Farming, I may say, is very dear to my heart. I have a lot of respect and admiration for the farmers. However, I draw the honourable member's attention to the Speech which the Honourable Mr. Gardiner made right in this Chamber not so very long ago in which he stated that as far as agriculture was concerned in Newfoundland he thought that the fertile valleys should be developed and we could read between the lines that the rock piles and quarries should be left alone, but that the fertile valleys should be developed and that our agriculture will go hand in hand with our industries. We would not have sufficient export and he as much as told us in words that we had to develop our industries in order to develop our farms. The Government is helping this in as much as they have a marketing board doing their utmost to support and keep up the prices and the produce

of the farmer. They also assist the full time farmer, the commercial farmer in land development and farmers who can qualify as commercial farmers can immediately have up to thirty acres of land cleared and even if necessary financed over a period of years. I don't need to worry very much about the farmers in Newfoundland if our industrial development takes place, I think the farmer will be nicely looked after. We have to have industrial development in order to get the feed mills so badly needed in this country. In many ways the farmer can be helped and you don't have to look very far to see just who is being helped.

In closing, Mr. Speaker, I would like to express my wholehearted support and congratulations to the Government for these industries which are being established or are about to be established.

MR. SMALLWOOD: Mr. Speaker, this has been one of the shortest debates on the Speech from the Throne that the House has ever known. It is just a week ago today that His Honour the Lieutenant Governor opened the present session with that speech, and as I am to close the debate the motion will presumably be adopted tonight. I promise the House to be brief, and that I find quite easy to do in view of the fact that the speeches made in the debate have been themselves quite brief and practically without criticism of the speech.

The first point with which I should like to deal is the one principal point made in his speech by the honourable member for Bonavista South and upon which the honourable member for Port de Grave has just commented briefly. The honourable member for Bonavista South gave this House quite

a remarkable picture of his own mind, his viewpoint was stated with great clarity. There was no difficulty whatever in understanding him. One might agree or disagree but one could not misunderstand. His homily, and as I said before, the delivery of homilies and homespun philosophy is for him a favourite practice. I have listened to them for about three years, they are sometimes right but not often enough. They are more often wrong. I don't think he could possibly be more wrong than he was in his expressions in this present debate. He is, so he told us, positively adverse to enthusiasm. Then he gave us this picture of a man who sits on the sidelines reserving to himself the right to size up every situation that may confront him and completely, objectively, detachedly, to come to his own conclusions.

Sir, in life, in society, there is a definite place for that kind of mentality, and it may be a necessary place. That place, however, is clearly not in any body of men who are responsible for action. One of the greatest stories in our Newfoundland history is one that I fear is not too well known. It deserves to be because it is an epic of courage, of daring and of enthusiasm. The story of Cyrus Field, the father, practically speaking, of the Trans-Atlantic Cable. Now I am aware of the fact that the great, revered Bishop Mullock was spiritually the father of the Trans-Atlantic Cable. I am well aware of that fact. But the practical father of the Trans-Atlantic Cable was Cyrus Field. That man was one of the great men of humanity in all time, he traversed the wilds of this Island not once or twice but literally dozens of times. He crossed the Atlantic Ocean fifty-eight times. He formed a company. He could not raise

the capital, but when he did raise the capital the company failed. For a period of twenty years with a one-track mind and a complete and absolute refusal to admit defeat, and with an enthusiasm that was boundless, he persevered, and he built that cable, one of the greatest events in the history of mankind on this earth. There was not a chance in the world of his building that cable if he had been of the same mentality as the honourable gentleman for Bonavista South, not a chance in the world. The cable would not have been built. The honourable gentleman would have sat back, detachedly, objectively, meditatively and delivered homespun philosophies. We would have been treated to little homilies showing quite clearly that it was all trash and nonsense, it had never been done and any man in his sane senses looking at that broad Atlantic Ocean would know that it could not be done.

I think of another great man in our Island's Story. This man was an ecclesiastic, who wanted to build a cathedral in St. John's—in St. John's in the 1830's, a city in the heart of a forest where everyone kept himself warm by going a quarter of a mile away from his home and cut wood in the open forest and hauled it to his home. That man, that great man, that great Newfoundlander conceived the insane idea of building no less than a cathedral. But first he had to get a piece of land on which to build it. He had not even a piece of land. Forty times he crossed the Atlantic Ocean in a sailing craft. I don't know if he was a good sailor, but I can imagine what conditions were like aboard a sailing craft that plied between St. John's and Liverpool. Forty times he endured that hardship. For what? To persuade

the British Government to give him enough land on which to build a cathedral in this collection of huts known as St. John's. They finally were worn down, the patience of that man wore them down and they said to him; "All right, you can have as much land as you can fence in one hour." In an hour. So he came back and he announced to his people and indeed to all the people of St. John's that he could have such land as he could fence in one hour. What happened? The people of St. John's, of his own faith and of other faiths in St. John's did not adopt the attitude of my honourable friend from Bonavista South. They did not say; "Now let us examine this thing, clearly you can't fence in enough in one hour on which to build an out-house, let alone a cathedral. It can't be done it is nonsense to begin." No, they met and in vast crowds went into the bush and so many cut longers, others brought them out and laid them around in position for a fence. The Governor of the day had his adjutant there and he took out his big old fashioned time-piece and they waited for the hand to come around. Then he said "Start." And the whole of St. John's, people of all faiths, of all denominations enclosed half the town almost. That vast area just to the West of us, a sufficient amount not only for a great cathedral but for colleges, schools and other buildings necessary for that enterprise, in one hour fenced it in. If that great man had had the judicious temperament—

MR. RUSSELL: I was with the British Government then.

MR. SMALLWOOD: If that great man was of the same temperament and approach so eloquently described by my honourable friend there would be no cathedral. Later when a great



man, not a Newfoundlander, came here from New York and saw what had been done in an insignificant little town, he went back and told his people that they should be ashamed of themselves. He was just back from a little place called St. John's in a little island up near the North Pole somewhere and down there they had a great cathedral built. "What about our doing it here today?" The result is today on Fifth Avenue in the great City of New York, St. Patrick's Cathedral, one of the wonders of the world. That great Cathedral was built out of the inspiration created here in St. John's by that great man's enthusiasm.

They tell me that down on the Coast of Labrador at a point where the cliff rises perpendicularly out of the ocean to a height of several hundred feet, there lies just beyond the summit of that mountain the skeleton of a whale. In a great storm the Atlantic Ocean flung that whale hundreds of feet to the top of that mountain where it perished and where its bones lie today. The strength and might and power of the Atlantic Ocean. The Atlantic Ocean is weak and puny compared with the power of human enthusiasm. It can work miracles. The human enthusiasm that says, the difficult we do, the impossible we take slightly longer to do.

I think of Newfoundland in the 1870's and early 1880's, its population of fewer than two hundred thousand souls, its economic system consisting of a salt cod fishery. That was its economy, not even a factory in Newfoundland, not one except a few lobster factories, our economy as thin as water; and a man, a Newfoundlander conceiving the completely outrageous insane, crazy idea of building a railway, six hundred miles, across this Island. Sheer lunacy, my honourable

friend from Bonavista South would have argued in 1880—perhaps would have wanted to know, as would, I am afraid, my honourable and gallant friend the member for Ferryland and my honourable and learned friend the Leader of the Opposition, would have wanted laid down in this House before the railway was even begun a balance sheet showing the profits and losses.

MR. HIGGINS: Do you mind if I tell you you are overlooking the best point of all. When Bishop Flemming built that cathedral away in the woods the Catholic people petitioned him not to build it so far in the woods but farther down in the town. I would be in that class probably.

MR. SMALLWOOD: Indeed that is so. There was another great Newfoundlander, Sir, the Right Honourable Sir Robert Bond, a native born Newfoundland like all of us here today. He was instrumental in establishing the first of the great new industrial enterprises, Grand Falls, which has turned in to the people of Newfoundland today several hundreds of millions of dollars. Sir Robert was fought on that great enterprise far more fiercely than this Government is presently being fought by the Opposition and Independents combined. He built it.

I think of Squires, the Right Honourable Sir Richard Squires, another great man in many ways, probably not in all ways but a great man in many ways, a man of great personal attainment, great personal gifts, born out of his due time, trying to set the crooked straight economically in Newfoundland. A man who never had the chance that I have today or that any man in my job would have today. He built a great industry in

Newfoundland that has already turned hundreds of millions of dollars in to our public pockets.

Now, I ask the House where would all of those men have been without that virile spark of enthusiasm that separates us from the animals, that divine spark of enthusiasm that does not allow us to know the word no. Thank God, and I say that literally, for enthusiasm, the greatest power on the earth. Enthusiasm in a human heart, greater than atomic energy, greater than the Atlantic Ocean, greater than the Grand Falls of Labrador, greater than any other might or force in the world. Human enthusiasm that causes a man gladly and justly without counting it sacrifice but a joy and pleasure, because he is a man, to spend himself body and brain and heart and mind and soul, spend himself gladly in any cause that he thinks is good. That is the kind of enthusiasm that animates this party. That is what has kept this party going. That is liberalism—a belief in mankind, a belief in the destiny of man, an unquenchable faith that it is possible for men to rise. And that enthusiasm that fires that faith, making it live is as good an answer as can be to my honourable friend's contention that he is still a Liberal.

Now, my honourable friend from Bonavista South will remember, he must have read of the engineers who established beyond all possibility of doubt that the bumble bee could not fly. By all the laws of aeronautics, magnetic and other principles of science, they established beyond all possibility of doubt that the bumble bee could not fly. But the bumble bee does fly. It flies.

MR. HIGGINS: And it should not.

MR. SMALLWOOD: But it does. These industries cannot succeed. It can be proven. The opposition has proved it. But they will succeed.

So much for my honourable friend from Bonavista South.

My honourable friend the junior member for St. John's East made one point with which I agreed very sincerely when he spoke of our young men going away and when he added the poignant words, pathetic words, perhaps never to come back. It is truth to say that our real wealth is in our people. It costs a lot to rear a child, to feed, clothe, house and educate it and when a young man or woman of seventeen or eighteen or twenty leaves Newfoundland the loss is irreparable, there is no human way to replace it. So I agree very sincerely with my honourable friend, the junior member for St. John's East. That spectre has haunted Newfoundland for literally hundreds of years. If all our people who were born here had continued to their death to live here our population today would be a million people, at least that is what my honourable and gallant friend said, a million people. Go where you will on this globe and you run into Newfoundlanders in hundreds of thousands. Now, what are we going to do about it? Confederation did not create but it did accentuate as it suddenly became easier and much cheaper to leave Newfoundland and go to the Mainland of Canada. Two years before we became a Province twenty-four hundred Newfoundlanders left Newfoundland for what was then Canada; one year before we became a Province, twenty-five hundred people left; in the two years before we became a Province of Canada forty-nine hundred people left Newfoundland for

the Mainland. Now, I have thought a lot about this: Without revealing any Cabinet secrets, my honourable friend from Bonavista South will recall that we all talked a lot about it. My belief is this: That we have two choices before us in Newfoundland today, only two. I can't think of a third, I have never been able to think of a third: One, to follow along in the more or less normal way, the conventional way, passing laws, collecting and spending revenue, conducting the ordinary day to day affairs of administration, leaving it strictly to private enterprise to start industries. If they do, God bless them. If they don't it is regrettable. Just leave things alone, laissez faire. That is one way. The other way is the exact opposite to take time by the forelocks, to live out the words of Omar Khayyam; "Could you and I with Him conspire to drop this sorry scheme of things entire, would we not shatter it to bits and remold it nearer to the heart's desire." The first course leads on inexorably and tragically to a declining Newfoundland. It is unthinkable, Mr. Speaker, that we here in this little Island can go on for the next ten or fifteen years, lying beside this vast continent of North America with opportunities in millions, and our people be content with the lot they have had and have. That is unthinkable. Let us face that fact. They won't stay. My honourable friend from St. John's East is perfectly right. They won't stay here. They will go away and there is an almost irresistible attraction on the North American Continent to lure our people away. First, the young people go and begin writing home to the old people, and then the old people get lonely and want to go up and join the young people. That attitude of laissez faire, leave it alone, conduct the ordinary

housekeeping of Government, leads inevitably to a rapid decline and eventual downfall for Newfoundland. Now, can't everybody see that? Does not our history prove it? Is not that the story of Newfoundland? I know a little bit about our history, a terrible draining off of the most ambitious, the most energetic of our human resources. The absorption of these resources into the United States and Canada. The other course is to be unconventional, to be untrammelled by economic traditions, to put superhuman efforts into a drive the like of which we have never even dreamed of in the past, superhuman, physical and manual effort, all the enthusiasm that the human heart can generate and throw all of that behind a great concerted drive against our destiny, certainly against the flood of four and a half centuries of our history. To do in three or four years or five years what it took half a century to do in days gone by. To realize clearly that we are living in extraordinary times, in a troubled world, the most troubled part of which is Europe, and by unconventional methods, great daring and enthusiasm to accomplish here in Newfoundland, in spite of pessimism which is one of our besetting sins, in spite of this inferiority complex which says nothing in Newfoundland is any good just because it is in Newfoundland. To fight that and in spite of it to battle through and in four or five years put Newfoundland where in ordinary times, under other conditions it might have taken half a century to put her.

Now, my honourable and learned friend, the Leader of the Opposition, gave us this afternoon in his speech some remarks about the Labour Party of New Zealand and I listened and listened waiting for the honourable

and learned gentleman to make his point. I felt he was leading up to his point, I felt there must be a point to it, but it was never drawn conclusively which perhaps was a matter of omission on his part. But it gradually began to dawn on my mind what the honourable gentleman meant. A former Chairman of the National Convention frequently said, "I cannot, I cannot plumb the depths of another man's mind," so I am not sure that the honourable and learned gentleman meant to convey the impression I received, but the impression I did receive was that he somehow regarded this Government as socialistic or probably worse than that, tinged, at least tinged, with communistic and socialistic tendencies and viewpoints and policies.

MR. HIGGINS: Socialistic.

MR. SMALLWOOD: Now that is most obviously humourous to think that, of a Government which more than any government in our history has assisted private enterprise. My honourable friend from Bonavista South sees the point, and no doubt enjoyed the joke this afternoon because that is comical to think that of a Government which more than any Government in our history assisted private enterprise. We have loaned or guaranteed loans in the millions and we propose still further to guarantee loans in millions to private enterprise, and we are socialists.

Now these are the only points made I think that ought to be answered, therefore I have concluded. I made one or two other notes one of which was dealt with by the honourable member for Port de Grave, when the honourable and learned Leader of the Opposition asked: where does agriculture fit into this scheme of economic

development? I think the answer to that question is that it is precisely the economic development programme that will assist agriculture. The great need of agriculture is markets. Get twenty thousand people with new jobs in Newfoundland with cash wages and you help (a) agriculture, (b) local factories and (c) and most important, the fisheries.

MR. HIGGINS: And I suppose P.E.I. will send down a big steamer with produce to distribute all over the Island.

MR. SMALLWOOD: I don't think I will be drawn into that subject because it is really within the realm of the Constitution. But we have succeeded, by means which I won't at this moment describe, in coping with that problem. Premier Jones is still wondering how we did it. But we have attempted to protect the farmers of Newfoundland against cheap, if there are cheap, agricultural products from Prince Edward Island. We have in fact done this. We have set out to protect our Newfoundland soil against the possible ravages of disease that are sometimes found in other soils. We want to keep it clean and wholesome and we therefore introduced a system of inspection of vegetables both local and imported and unfortunately we have no great army of inspectors available so we choose deliberately to protect our own vegetables first and inspect our own first. That has caused some regrettable delay in inspecting imported products and fearing they may have to wait several months to get them inspected some producers desired not to import any until the local potatoes are consumed. Now, that is within the realm of the Constitution which will not be overlooked by my honourable and learned friend who is an authority on the

Constitution and within the British North America Act. By whatever means that lay in our power, the Government is not all powerful, there are natural laws and economic laws which can be defied but not with impunity and within the limits of our powers we will continue to assist the farmers and the fishermen and other primary producers of Newfoundland.

MR. HIGGINS: In spite of our Non-Sovereign Powers.

MR. SMALLWOOD: In spite of what my honourable and learned friend calls our Non-Sovereign Powers.

Now, Mr. Speaker, we must all agree in conclusion that this has been so far an exceptionally busy session and we are getting through our business with great promptness and efficiency. The debating has been very spirited. I may say I am delighted as a House of Assembly man, as one who loves this Chamber, loves to see a good fight, a good debate, I am delighted to see a spirited debate going on. If my honourable friends opposite feel they are small in number, and we on this side wish they were smaller in number, if they have any feeling they are small in number at least they have the great satisfaction of knowing that what they may lack in numbers they make up with fight and with spirit and with debating ability. We on this side respect the gentlemen on the other side. We don't always agree with their views, especially those of my honourable friend from Bonavista South. In fact we hardly ever agree with his. But we respect all of them and admit, as my colleague said, that they too are patriotic Newfoundlanders but sometimes we wonder, however, if they rather doubt that we are also patriotic Newfoundlanders on this side of the

House. I think all of us in our hearts would like to help Newfoundland, we know it is our land, that it is where we live, where we hope to rear our families. We may differ only in what we think is the best way to help the people of this beloved Island.

MR. SPEAKER: Moved and seconded the Address in Reply as presented by the Committee be adopted.

Carried.

MR. SPEAKER: Second reading of a Bill, "An Act to Approve and Give Statutory Effect to an Agreement between the Government and Newfoundland Tanneries—William Dorn Limited." I think the honourable member for Ferryland adjourned the debate last night.

MR. CASHIN: Mr. Speaker, I think I adjourned the debate on second reading of that Bill and I am going to make a further suggestion to the Premier. In our talk this afternoon in connection with all those Bills, I suggested that in order that the members particularly would know the whole works we might have a secret session of the House, and I think the Premier replied to me afterwards and agreed that they were prepared to do that in order that things not in the public interest, principally in the IBEC Report and the Walsh Report, are not in the public interest to publish at the present time but they are prepared to give copies to be kept confidential and I would ask now that it might be proper at this time to cover all these Bills and get the whole facts in a private session of the House. I think the Premier understands what I mean.

MR. SMALLWOOD: I agreed to that very gladly indeed and perhaps before opening the House tomorrow

to the public we could give certain explanations and members could ask what questions they like and have a very frank discussion of all the details, not in the public interest to publish at the present time but members of the House should know, so that they should all the better satisfy themselves in their own minds and hearts. Tomorrow after the minutes are read, I can give the explanations, in the meantime we might pass over the continuation of the debate on second reading of this Bill and others as well.

MR. RUSSELL: Mr. Speaker, may I say a word. The position I am in, Mr. Speaker, is this, I don't want to appear to be an obstructionist but I want to make myself as plain as possible on the subject. I want to speak to the second reading of this Bill and that is my right. I don't welcome, maybe I should, but I don't want a secret session. I cannot stop the House from having it but I don't want to be there, and I won't make a point of not being there but I will stay outside and wait until it is over and come in then. The only thing I am concerned with is this; may I speak to the second reading, not in secret session?

MR. SMALLWOOD: Certainly, and if the honourable member likes to do so now—

MR. CASHIN: My point, Mr. Speaker, is that second reading of this Bill be deferred, have a secret session and then have the debate afterwards.

MR. SMALLWOOD: Perhaps the honourable member will hold until tomorrow, not in secret but in public. There is no suggestion that there should not be any more public debate on this Bill. There is no thought of such a suggestion as that. It is

that in addition to the public debate which must go on, there be held also a secret session at which there can be more intimate discussion for any member who wishes to be present.

MR. RUSSELL: Then my opportunity comes after we have had a secret session.

MR. SPEAKER: It is very unlikely during the secret session that the Speaker is in the Chair.

MR. SMALLWOOD: It is not actually necessary, Mr. Speaker. If the honourable member wishes to make his remarks now there is nothing to prevent that. What he has to say will not be in any way affected.

MR. SPEAKER: However, a technicality exists. It is the accepted ruling of the House that the honourable member who speaks in a debate moves the adjournment of the debate in order to carry out his full time of speaking, he must have the floor when the debate is resumed and not be sandwiched in between another member. However, if the Government and the honourable and gallant member for Ferryland is agreed and the House gives unanimous consent, then the Chair sees no objection to the honourable member for Bonavista South speaking now.

MR. CASHIN: Then after the secret session we can go to town on it.

MR. SMALLWOOD: The honourable member might be willing in view of the fact the honourable and gallant member for Ferryland has the floor and he has to interject his remarks between two parts of his speech.

MR. RUSSELL: The unanimous consent of the House is needed.

MR. SPEAKER: It is necessary otherwise the Chair cannot recognize it.

MR. CASHIN: I move the adjournment of the debate on this Bill until tomorrow afternoon and all the other Bills for second reading.

MR. SMALLWOOD: This is the only European Bill up for second reading. In that case, Mr. Speaker, we might go on to Number 7 on the Order Paper.

Second reading of a Bill, "An Act to Amend the Automobile Insurance Act, 1951."

MR. CURTIS: Mr. Speaker, I beg to move the second reading of this Bill which will not, I think, interest the House or honourable members very much. It will be remembered that at the last session of the House we passed what now is the formal Automobile Insurance Act. After the session closed it was circulated amongst the various insurance companies throughout the Mainland, and as a result of recommendations sent back, made by the local solicitor for the group of insurance companies, we are now proposing to bring in here an amendment. I may say, in fact, this amendment has not been before the Lieutenant Governor in Council at all, we are assuming that it is necessary and is only for the purpose of making our insurance laws uniform with the laws of the rest of Canada and so that all policies that are issued will be issued in Newfoundland. I do not propose to try to explain the various sections, through in committee stage any section which is questioned I will explain gladly.

MR. HIGGINS: Give generally the differences.

MR. CURTIS: As far as we can find out there are no major differences but purely a difference in details so as to make the Act uniform

with the Act in other Provinces. But as I say that is a matter that could be discussed in Committee and, in fact, if honourable members wish, and if we have no other business to do we might, the House might like to go into the Committee stage after the second reading of this Bill.

Ordered read a second time.

MR. SPEAKER: The honourable the Attorney General asks leave to move this Bill now into Committee of the Whole House.

MR. HIGGINS: Mr. Speaker, I am sorry I cannot agree. If the Attorney General would tell me exactly where the difference is, I would compare it with the other Act. I do not know where the differences are and if he can't tell me exactly I cannot agree to that. I am not trying to hold up the House.

MR. SPEAKER: What is the understanding, that second reading be given so that the Bill be explained more thoroughly?

MR. CURTIS: If my honourable friend is willing to go into Committee to get some idea what it is about. I am not attempting to push it—as a matter of fact I don't care if the House commits it or not.

MR. HIGGINS: This is an amendment, not a new Act, but I can't understand this until I study it in view of the other Acts and that will take some time.

MR. CURTIS: Mr. Speaker, I withdraw the motion.

MR. SPEAKER: The motion now before the Chair is that this Bill be now read a second time. I waited for comment, the question was then put and the decision was announced

so it will now have to be the pleasure of the House to have the second reading rescinded.

I merely said the honourable the Attorney General asks leave to have this Committee now, leave was not granted. Moved referred to Committee of the Whole House on tomorrow.

Second reading of a Bill "An Act Further to Amend the Alcoholic Liquors Act, 1951."

MR. CURTIS: Mr. Speaker, I beg to move the second reading of this Bill which is to repair an omission in the Alcoholic Liquors Act, 1949, which empowers the Lieutenant Governor-in-Council to make regulations but does not provide any penalty for these regulations. The effect of this amendment is just to put the necessary teeth into the Act so that a breach of the Regulations will be a breach of the Act. I move the second reading.

Read a second time, ordered referred to Committee of the Whole now.

Committee of the Whole, "An Act Further to Amend the Alcoholic Liquors Act, 1949."

Section 1, 2 and 3 read and passed.

The Committee rose and reported having passed the Bill without amendments, ordered read a third time on tomorrow.

MR. SMALLWOOD: Mr. Speaker, I move that we might go into Committee of the Whole on the Asbestos Bill, or the Public Records Act, 1951, that got first reading today. If the House is agreeable we could move second reading of it, it is only two sections. Frankly, I don't think we would

be putting anything over on those who are absent, it is not—

MR. SPEAKER: As far as that goes it is every member's duty to be present in the House while the Speaker is in the Chair.

MR. SMALLWOOD: Well, we have had first reading today and if the House is agreeable I will move second reading. This Bill is an Act to Amend the Public Records Act, 1951, and an amendment to the Bill which was passed in the first session of the House this year creating a commission to concern themselves with the recovery and keeping of public records, archives, maps, charts, old documents with a bearing on Newfoundland history. The purpose of the present Bill is merely to increase the number on the commission from five to twelve thereby making the commission more representative of the various interests who would be concerned with this subject. This is a matter very dear to the heart of the honourable and learned Leader of the Opposition as it is to my own. He is interested in Newfoundland history but I too for some years have been deeply concerned and the idea back of this is to make an effort to gather together and put in safekeeping public records of that character where they would be available to students of our Newfoundland history. More now than ever before perhaps it is important that they should be preserved; they don't mean dollars in our pockets and are not of any great material import but they should be preserved and I am sure the House will agree that this Committee who receive no payments whatsoever may as well be twelve as five.

Motion is this Bill is now read a second time. Ordered to committee of the Whole House now.



Sections 1 and 2 read and passed.

The Committee rose and reported having passed the Bill without amendments, ordered read a third time on tomorrow.

MR. SMALLWOOD: This Asbestos Bill has been on the Order Paper for days and the honourable member for Ferryland and the honourable member for Bonavista South have both approved it, and I think we might go into Committee as the official opposition is represented here, and not adopt it in committee but leave the matter open for further debate should the other honourable gentleman wish to debate it tomorrow.

MR. HIGGINS: As far as I am concerned I have objection but if I were out of the Chamber I feel that somebody would make an objection on my behalf, I have no objection.

MR. SMALLWOOD: We can go through it and leave it open to come back to it if necessary.

Committee of the Whole "An Act to Approve and give statutory effect to an Agreement between the Government and Newfoundland Asbestos Limited."

MR. CURTIS: I think we might follow a suggestion made by the honourable member for Bonavista South and read the schedule first, then go back to the other.

MR. HIGGINS: Will the money for construction come out of this two hundred thousand or is that only for exploratory work?

MR. CURTIS: I move, Mr. Chairman, the Committee rise, report progress and ask leave to sit again. I move we pass the Bill and if any of

our honourable friends want, tomorrow, we can have the Bill recommitted and if it is all right we can have it passed without recommitting. I move the Committee rise and report having passed the Bill without amendments.

Ordered read a third time tomorrow.

MR. SMALLWOOD: Mr. Speaker, I move all remaining orders of the day be deferred and that the House at its rising adjourn until tomorrow, Thursday, at 3:00 of the clock.

The House adjourned accordingly.

THURSDAY, November 1, 1951.

The House opened at three of the clock.

HON. J. R. SMALLWOOD (Prime Minister): Mr. Speaker, I have a very important announcement to make to the House. It is now public knowledge that the present government has launched a campaign to bring many new industries to Newfoundland. Some of these new industries will come from the North American Continent and most of them will provide their own capital. It may be necessary in one or two cases for the House of Assembly to guarantee some of their bonds. Most of the new industries, however, will come from Europe. In nearly all such cases the owners of the new industries though wealthy and powerful in their own country have no Canadian or American dollars to finance their operations on this side of the Atlantic. They can bring the necessary machinery, materials and equipment to Newfoundland, and they can bring great industrial and commercial experience. But as they have no dollar capital, they cannot bring dollars.

The present Government have adopted the policy of doing what the Government of Newfoundland did in 1923 to get the great Humber Industry started, namely, guarantee the bonds of such companies to help them to get established in Newfoundland. Our policy is to match those companies' own capital investment in Newfoundland, by means of loans equal to their investment. In this way, and only in this way, is it possible to bring industries here from Europe. The Government have made arrangements with enough European Companies to start industries here that will employ about fifteen thousand Newfoundlanders at good wages. Many of these fifteen thousand will be fishermen who will thereby be drawn from the salt cod fishery.

I feel that the people of Newfoundland have not given the Government a specific mandate to go ahead with this great program of economic development in this particular way. I feel that it would not be fair for the Government or the House of Assembly to continue to guarantee the bonds of those companies, without an express mandate from the public of Newfoundland. My colleagues and supporters in this House agree with me when I state that we should go back to the people and seek a fresh and special mandate to go ahead with our present policy. If the people give us that vote of confidence, then we shall call the House together again as soon as the mandate is received, and push vigorously ahead with our policy of developing Newfoundland and Labrador in this way.

As his first Minister, I propose to advise His Honour the Lieutenant Governor to dissolve this General Assembly and cause a Proclamation to

be issued for a General Election this present Fall.

If His Honour accepts my advice, the General Election will be held without delay. The first session of the new General Assembly will be called at an early date if my administration of the Government is upheld by the people.

#### Presenting Petitions

None.

#### Presenting Reports of Standing and Select Committees

None.

#### Giving Notice of Motions and Questions

MR. FOGWILL: Mr. Speaker, we have not yet the answer to number 42 on the Order Paper of October 29, addressed to the honourable Minister of Economic Development.

MR. SMALLWOOD: Answer to question 42:

(1) Approximately six hundred thousand bags, one hundred thousand short tons.

(2) The electrical power for the plant is being supplied by Bowaters.

(3) I think somewhere in the order of forty-five hundred horse power.

(4) I may say, quite frankly, I do not remember the rates, I think it is the order of eight-tenths of a cent.

(5) Oil.

(6) I do not remember but can get the information without difficulty. They have great, large oil tanks erected to hold the oil.

(7) I know that answer but I do not think it would be proper to give

it. The oil is bought from Imperial Oil. The North Star Cement is a commercial customer of Imperial Oil and they have other commercial customers and I do not think it would be proper, certainly not at this stage, to give this information. I may say it is a set rate.

(8) I think something of the order of three hundred total.

(9) The scale of wages, the rates are presently being worked out by the Board of Directors of the North Star Cement Company Limited and as they have not been completely worked out I am afraid I cannot give a detailed answer.

#### Orders of the Day

Honourable the Minister of Finance asks leave to move the House into Committee of the Whole to Consider Certain Resolutions in relation to the Grant of Supplementary Supply to His Majesty.

MR. SMALLWOOD : Mr. Speaker, I ask to have that deferred and go ahead with the second reading of the Bill, "An Act Respecting Old Age Assistance."

Second reading of a Bill "An Act Respecting Old Age Assistance."

HON. DR. H. L. POTTLE (Minister of Public Welfare) : Mr. Speaker, in moving the second reading of this Bill "An Act Respecting Old Age Assistance," I think it would be desirable for the general information of the House to bring the matter respecting this Bill properly up to date, to give a kind of background to the Bill.

Honourable members will know that last year for some considerable time a joint parliamentary commission of the House of Commons and

the Senate of Canada met and discussed this question more competently than it has probably been discussed anywhere at any time. As a result of the discussions on old age security a two-fold programme was recommended to the House and eventually adopted and the two-fold programme is as follows :

(a) Universal pay as you go programme applicable to all persons based on contributions and administered by the Federal Government with a uniform flat benefit amount of \$40 for all aged persons and based solely on age and suitable residential qualifications.

(b) An overall old age assistance at the rate of \$40 a month available subject to eligibility, that is a means test in some respects similar to what we still have under the present system, modified to take care of the different characteristics of the aged group to which this applies and distributed in such a way as to encourage recipients to earn supplementary incomes.

There were a number of conferences followed the first, principally inter-provincial conference last Fall, the conference work in this field was done by the Provincial authorities in welfare in conjunction with the National Department of National Health and Welfare. A number of meetings were held and eventually I reported to the House on March 28, 1951, this year, the summary of the proceedings. The committee of those meetings had to do with two things; one to consider the principles, the general effect of the legislation which should ultimately be for the consideration of the Provinces and the House of Commons. Secondly, the classes of persons to whom the benefits might apply. As

the meetings progressed the discussions went on from principle to detail, and as everybody knows the principle will be given in the Act and the details will be given in the regulations and it was thought that whatever would be evolved would be as applicable as possible to all the various provinces concerned, considering their diverse situations.

Now, the upshot of all these discussions may be summed up in this way: Hitherto there has been a Federal Old Age Pension Act which, as the name indicates, had to do with the awarding of old age pensions but it also included pensions to the blind and both these schemes were contained within the one Federal Act and were administered on a joint basis, seventy-five percent contributed by the Federal Government and twenty-five percent by the Provincial Government. Now in place of that one piece of legislation, the Federal Old Age Pensions Act, there are now to be considered three different pieces of legislation, one an Old Age Security Act which is entirely a Federal matter and will come before the present session of Parliament in Ottawa as foreshadowed in the Speech from the Throne. It is expected that that legislation, if enacted, will come into effect on the first day of January, 1951, and will be a universally pay-as-you-go pension to all persons seventy years of age and over who can establish both age and certain residence first, and found entirely from a Federal source.

The blind assistance provisions for the blind will now be taken from, as I say, the Old Age Pension Act which will be repealed and will be a separate Act for the blind and will be known as "An Act Relating to Allowances for Blind Persons." It is intended that any Province in that agreement will

be on the basis of seventy-five, twenty-five as at present. Thirdly, and this is the one to concern us, an old age assistance plan designed to affect those between sixty-five and sixty-nine years of age. I shall come to the details later, Sir, but I may say now that on the 20th of August having reported to the Government on the decisions up to date I was authorized by the Government to make this statement: "The Government intends to enter upon a plan of old age assistance whereby needy persons under seventy years of age will receive up to \$30 a month. The plan will be carried out on the basis of a means test and the expense shared half by the Government of Newfoundland and the House of Assembly will be asked to enact legislation."

Mr. Speaker, I do not see a quorum—

As has already been indicated, the Bill is intended to be an agreement between the Government of Newfoundland and the Federal Government whereby a partnership will be the consequence of enacting the Bill for providing assistance under this Bill which will be shared jointly fifty percent by the Federal Government and fifty percent by the Government of Newfoundland and it is possible for it to be made available to all persons between the ages of sixty-five and sixty-nine on the basis of a means test. Just how many people will qualify under the agreement is a matter for the Government of Newfoundland to decide. Where is will be applicable to only the sixty-five and sixty-six and sixty-seven and all the way through to sixty-nine was a matter for agreement and when the Act will come into effect is another matter for the agreement. The board which will administer this Act, if enacted, are already comprised and

no new machinery will need be set up within the Department of Public Welfare and apart from the mechanical matter of forms no extra staff is envisaged.

Now, I come to the means test, in brief the principles, the upper limit of incomes are set down in the Federal setting, the Federal Statutes which we shall have to bring into effect in Newfoundland through our own statutes if we agreed to bring the plan into effect. The principles are here entered under section three, it is indicated that payments may be made to three classes of people, one an unmarried woman whose income inclusive of assistance is not more than \$720 a year and in the case of a married person, living with his spouse, who is not eligible, the total income inclusive of assistance is not more than \$1,200 a year and thirdly, in the case of a person living with his spouse who is earning not more than \$1,200 a year. It simply means the means test is made a little more liberal to the extent of \$120 extra.

Now the principle, as I said, laid down in the enabling statute, the Federal Statute, the details, some of them, will be provided for in the regulations based on this statute and the more precise details as to how the general regulations should apply to Newfoundland will be laid down in our regulations. For instance, how will the income be calculated, what should we allow as a whole, etc.?

Now, the Act is entitled, An Act to Provide for, relating to old age assistance and the idea is as indicated in one of the first statements made regarding the sixty-five to sixty-nine year old group and it is hoped that assistance or payments will be made out in such a way as to recognize to

a greater extent than now in the case of old age pensions than at the present the desire to encourage recipients to earn supplementary or casual incomes, that is to say, it is not intended that as a result of making payments under this legislation that it will restrict individuals to assistance, it is welfare legislation to this important extent that it is designed to supplement the normal earnings of people whose normal earnings are not sufficient to give them a reasonable standard of living. Now, while we are considering this as new legislation, it is necessary for me to say, or draw attention to what we are already doing in this very field for within the age group sixty-five to sixty-nine we already have over two thousand people on dependents' allowances and it is suggested under this legislation that these people having qualified as dependents will become eligible for old age assistance. At the present time these people are getting their payments, one hundred percent provincial because the province is paying all costs both of the pensions, of dependent allowances, and administration. However under the old age assistance scheme while the allowance may be increased under the new scheme which might be adopted, nevertheless fifty percent will be contributed by the Government of Canada.

Now, Sir, I come to look at the sixty-five to sixty-nine year group a little more closely. If and when this Legislation is enacted we bring under government assistance probably as many as sixty-five hundred people who normally in Newfoundland are active workers from the fisherman class and other working classes, active at least if not earning as much as would give them a decent livelihood and of course in critical minds

or in critical places the question will be raised: What, now is the government going to assist this large group of Newfoundland people because when that question might be asked with regard to the seventy year and over group it might be asked with greater criticism with regard to the sixty-five to the sixty-nine group in which I may say many people are still active and working so that those who would cry condemnation on the welfare state might consider they are having a field day when it comes to considering this particular kind of legislation. Now, there is a good deal of not too mature talk about the welfare state, and I am not here this afternoon to go over the ground again. I think the point of view that this Government possesses has been explained and probably competently explained in this House from time to time and I think it might not be advisable to go into too many details right now. Sensible people are beginning to appreciate that in an essential respect the welfare state is here to stay just the same as preventative medicine is here to stay. Now, with this in mind I will refer, if I may, Sir, to my honourable friend the honourable Leader of the Opposition to whom I sent some time ago a pamphlet as a result of a speech I made in Halifax and I am presumptuous enough to say his point of view and our point of view on this side of the House may not be as different as they could be. The danger is that when the Opposition speaks of the welfare state they see nothing but unrelieved black. It is not white, certainly not white not even grey but an unrelieved black, there is nothing good about it. The only conclusion one can draw is that we must if anything bring forward and preserve those days which are regarded as blissful days, days we

should pine for when every man will be for himself, where we paddle our own canoe, where the traditional trait of the individual meant rugged individualism and where the intervention of a welfare state is regarded just by that very fact as a limitation on this precious state of sovereignty that we have heard about.

Now for my own edification and for the information of the House I think I would like to say something in reference to Mr. Churchill in connection with this and when I refer to his words on social services I hope the Opposition will not take lasting comfort out of this quotation from Mr. Churchill in this field because the Conservative point of view on social services in Britain are at least as advanced as the liberal view of social services in this Province.

Now, Sir, without extending the meaning of it for Britain because the last forty-three years in Britain tells the story, but let us come direct to Newfoundland, goodness knows in Newfoundland we are dragging out that sorry detail, the spectre of fear, and if the present experience with us has further stimulated us, our people I mean to provide for their sickness, for their widowhood, their old age, the answer I think is at least obvious, there is no such thing in Newfoundland is an end-of-the-road spectre of a work house because the work house is a perpetual spectre and has been for many Newfoundlanders.

In all this, Sir, without seeming to be too imaginative I wish to say, because I shall say again and again before the day ends, if all is well, there are two general attitudes to take in all of this. We may take the attitude of a man who says: look at all this spread of social services, look at all

this large public fund, is it not extravagance, its only effect being to sap the people's independence? The only thing that has kept their independence alive, these people say, is the constant threat that they would lose that independence if they did not take thought for tomorrow. Take away that sense of independence, take away that threat rather and people will not save, they will rather lean on the Government and expect the Government to look after their destiny and that will ruin their independence for all time. There is another attitude which we may take through all this, the attitude of the person who says, let us look at all this spread of social services and what do they do, they fill the gap for those who do not earn enough so as to equalize as far as it can be equalized by any machinery of a state, the earning power of all people. This is the kind of state we live in where the state comes to the rescue at the point where we cannot help ourselves. We can be assured therefore that the more we support ourselves the more prosperous as a whole we will be and through the intervention of the state on our behalf the national wealth is divided more equally and more widely and always according to need. Well, there are the two attitudes, that section or state of mind that says we are saved only by fear and the other attitude which states that we are saved only by hope. Surely, Mr. Speaker, it is in keeping with our customs and traditions to believe that our higher destiny lies not with disintegration and dehumanizing fear but rather, I say, in the direction of unfailing and humanizing hope. But let me hasten to say that those good things will not come about by our merely wishing them so. There must be some solid ground for our hope to put it on

paper and to say it in words. I do not see a quorum.

Mr. Speaker, I cannot carry on until the behaviour of the House is different from what it has been. It may not be of interest to the gallery but it may indeed be of interest to the people whom it concerns. I shall continue with my remarks though the gallery is empty.

MR. SPEAKER: If the honourable member wishes to register a protest I shall permit it.

DR. POTTLE: I should like to repeat, Sir, it is not enough to say this is a fine thing and describe it on paper, the only way I can see to have it come alive is to have the best thought made concrete in life whether it is initiated by the State or from any other source. There have been days in our past, Sir, that have been glorious and they have been glorious when some large plan of public interest has been visualized.

I find I simply cannot carry on with so many interruptions. I am sorry but there it is.

MR. SPEAKER: I regret the Chair is powerless to insist that a quorum remain present.

DR. POTTLE: But there has been other times when the national history has been dark in this little Island's history, has been dark and our people's lives have been a vacuum because they had not been given proper leadership from the source that should accept leadership. One can recall the last budget of the last responsible government we had in Newfoundland when it was indicated that people were then passing from dark days and the glorious would soon live and with a little extra push the ship of state

would soon find itself in sunnier and a more agreeable climate. Well, Sir, the deluge was only less than a day away as we may measure time and the story, the rest of the story lies with history. There has to be a plan, and from the point of view of legislation we are now considering, there has to be a plan of public welfare for I am as ready to admit as any one in this House on either side of the House that we can have too much social security or that social security rather can be too much of a good thing if we do not watch out.

What we are trying to do in our scheme of social security is to consider two classes, genuinely distinguished classes, distinguished for the purpose of convenience but really are not, those who need help and those who do not, realizing all the time that no man is entirely independent. We are all dependent at some time or another in some way or another. We are trying to administer our scheme of public welfare so that those who are given help will be enabled thereby to go on doing more for themselves than they otherwise would and at the same time to think of those who are just a little more independent than the others to enable them to keep their chin up to maintain that independence they already have. So that considered as a whole we are all together in this and if any one class of the people is poor we are all poor as the prosperity of one is the prosperity of us all or vice versa. We have been very careful, Sir, if I may say so, during our two and a half years of office to try and build up an honest set of relations, a sound set of relations between the people and the Government not for any political purpose but from sheer statesmanship, common sense, that unless the people

know and understand what the Government is trying to do and the Government trying to understand on its part the real feelings of the people, what limits you can take them to, how much they can bear. If those conditions do not prevail then every new kind of public welfare is not doing what it set out to achieve and that is to build up and maintain human values. Again I may state from a statement I made in Halifax in June before the Maritime Convention of Social Workers when I said we have two jobs to do in Newfoundland, like any other Department of Public Welfare, we have to give out benefits but we have to do more than that, that is the easier part of the job, it is relatively easy to distribute dollars when we have to but it is not so easy to make, create human values, sustain them and enhance them, to build up proper relationship between the people and the Government that will harden so that people come to look upon the Government as their government and themselves acting together to do things they cannot do by themselves for themselves, to look upon their Government as power made personal so we have carried on a system of broadcasts for the last two years with no other point in mind than those two, that we should inform the people and inform them in such a way as they will themselves take an interest in this job. Our men in the field, the Regional Welfare Officers whom we have made it our business to put there try to interpret what we do out there. We have already taken a survey of our public services in Newfoundland and this plan of old age assistance we are discussing will fit the plan when that comes to hand. I say there has to be a plan, there has to be a plan of the Government as a whole. Our people are



beginning to know now and realize fully well that we get only what we pay for. We can now talk of assessments, talk of taxes, without having to apologize, for the people are at least becoming educated to that level in civics where we won't have to apologize for telling them they must pay for what they get. I will say this in addition, we know our present level of social benefits can be maintained only by a high level of prosperity, our present benefits can be maintained only during periods of high level prosperity and it is with that in mind that this whole scheme of expansion and diversification and economic development comes into its own. It is only when it is looked at, or at least when it is looked at in that way, the importance of economic development comes into its own and is seen for what it is. So one of the necessary policies of the Government, policies around which the whole destiny of the Government rotates is social security and another one must be economic development and we cannot have social security without economic security and that is why I think we cannot look at this kind of Bill and say it is going to cost more than we can afford without looking at other aspects of things as well and seeing there that the Government has recognized the view, that the critics would like to point out in advance, and that is that this matter is going to cost a great deal, probably more than we would like to spend in order to maintain the general welfare of our people. But what we have provided for on the one hand in social security so also we try to maintain the level of commerce on a fairly high level so we can help those who cannot help themselves and at the same time bring individual opportunity for those who are prepared to avail of

them so that all, each in his own way, can contribute to the total prosperity of this little land.

This Bill, Sir, if enacted will be constructed on sound statesmanship in public welfare and if there was ever a time in the history of Newfoundland when she needed statesmanship in public welfare it is the present time. There is a considerable investment of public funds made through that department, it could not only be an eyesore to the Government, not only a discredit where improperly administered, but it could do worse than that. On the other hand properly administered it can extend untold benefits to thousands who will benefit under its provisions. This, I say, calls for wide statesmanship in public welfare and anticipates more than that, a bold and unprecedented programme for economic betterment of our people and around these two policies, let me repeat, social security and economic development, it is around these the destiny of any sound government will rotate. It is in this context, Sir, I will present this Bill for the second reading, a Bill, "An Act Respecting Old Age Assistance."

MR. SPEAKER: I regret that twice in the course of the honourable Minister's speech I could not show him a quorum. If I have to interrupt another member because of no quorum, I shall call it disorder and leave the Chair.

MR. JOHN J. HIGGINS (Leader of the Opposition): Mr. Speaker, from what the honourable Minister for Public Welfare said one would gather the impression that I am against social security and family allowances. At different times I have drawn attention to the fact the welfare state is

going too far; family allowances in Switzerland did good work, looked after legislation for the benefit of the poor man, but I have seen too many examples in the last year of deserving cases looked after who would not have been and I have seen some cases and sent them over to the Department and they have been immediately enquired into and the people have been helped. Why get the impression I am against family allowances, I don't know. I am afraid of the danger of the welfare state that goes too far in social matters and interferes in competitive prices and the like but I am not against family allowances.

DR. POTTLE: I did not use the words family allowances in all my remarks.

MR. RUSSELL: Now, Sir, is the time to examine ourselves, so I must seize this opportunity to support this Bill and I regret if I was one who helped by being absent from the Chamber during the honourable Minister's address to create almost a state of disorder.

MR. SPEAKER: The Chair does not think of any member, of any individual.

MR. RUSSELL: The House realizes I already have a great deal of knowledge of this Bill and its contents, I had the privilege of attending the Dominion Provincial Conference where the proposed plan for improving old age security was discussed and I am heartily in accord with it. I have never been quite clear and and for once I don't care, whether or not the present government will benefit by having the responsibility of having twenty-five percent of the over seventy age group removed from its shoulders and have substituted instead

fifty percent of those who pass a means test between the age of sixty-five and sixty-nine, but this I do know that even should it cost the Province more, the added benefits are out of all proportion to the increased cost, if any.

I noticed that the honourable Minister for Public Welfare made it quite clear, as it was fairly clear to me before and should be clear to everyone, that most of those who will receive this pension under this proposed legislation are already receiving assistance in one form or another from the Provincial Government so that the added cost of this social security measure to the Provincial Government will not be as great as will appear on the surface. I think that has been made quite clear and nobody should have any further remarks about it and when we think of the increase this legislation will mean we should remember half of it is paid by the Federal Government, and of the great many others who will benefit by it, deservedly who have not yet benefited up to now under the existing provincial arrangement. I am sure, Sir, there cannot be much room for argument on the merits of this Bill. I support the motion happily, Sir, and hope it is successful.

MR. FOGWILL: Mr. Speaker, I wish to support this Bill too. I am not going to say anything about it other than to say I do give it my support and to say I was struck very much by the earnestness of the honourable Minister in his presentation of the facts of this Bill. It appears to me, Sir, I think the figures of approximately one thousand or more, people now receiving the old age pension on the means test and are now to be paid without a means test after the first of the year and I think the

honourable Minister said we had a survey and approximately six thousand five hundred people possibly need assistance and under this new Act there, Mr. Speaker, it appears to me the cost to the Province will be approximately the same. There will be a little difference more or less than it is costing now which would not matter very much. I believe, Mr. Speaker, there is a new tax to be imposed by the Federal Government, that is the additional two percent surtax which will help to pay for the pensions of those people between sixty-five and sixty-nine. I understand it is to be partly financed that way and partly financed by the Province, nevertheless the cost to the Province I don't think will be any more than we are paying now for the number of people. With those few remarks, Mr. Speaker, I do give my whole-hearted support to anything the Government has done to relieve any distress of any Newfoundlander or anyone in this Province who needed assistance at any time and became too old to work or perhaps trying to earn a living for himself. Thank you, Sir. Sir.

MR. VARDY: Mr. Speaker, I too would like to have a word with reference to this Bill which is now before the House and to voice my very emphatic support and endorsement of all the contents of the Bill and particularly the remarks made by the honourable Minister in his presentation. I think, Sir, this Bill coming as it does at this particular time is a particularly important one to the senior citizens of this Province, as they are called, and I think too that it is going to serve very largely to dispel some of the fear that exists in the minds of some people with particular reference to the manner in which this

assistance is to be received. It has been unfortunate that fears have existed to such an extent that certain worthy citizens still today are afraid to accept benefits rightfully theirs because of the fear of the loss of some little things, which they have acquired by the sweat of their brow over a period of years of hardship and labour. I think, Mr. Speaker, it is good that that may be dispelled and eliminated and I sincerely trust it will be made clear that in making this additional benefit possible that there is nothing for any individual who qualifies to lose by accepting the benefits rightfully theirs. It has been deplored that such fear has been instilled in so many cases which have been brought to my attention time after time where the individual is afraid to accept the benefits which I say is rightfully theirs because of the fear they will probably lose their house or some of their equipment or fishing gear or if they die anything they leave will be taken by the Government. I think, Sir, the organization the Department of Public Welfare has put into the field during the past couple of years have done splendid work in dispelling those fears and I can only hope that it will not be resurrected now because the age limit has been lowered and a new class of citizen is to enter into benefits. I gladly endorse the scheme, Sir, and look forward with great anticipation to its being put into effect.

MR. COURAGE: Mr. Speaker, I wish to congratulate the honourable Minister of Public Welfare on the very fine piece of legislation which he introduced for second reading in this House. During its years of office the Government has introduced Bills of such significance that a Bill of this sort might well be overlooked, and I

am very happy, Sir, to see, as a private member, and as one who knows the Government's view and supports the Government in its undertakings that this Bill is creating the attention in this House which it deserves. I know, Sir, this will be a great benefit to the people (I regret I was called to the phone). I assure him that if I have offended it was not because of any lack of interest in the presentation of this Bill, because I can assure you that it is one of many fine pieces of legislation that the honourable Minister has brought before this House, it is something that will go down in history and history will remember him for having brought it in. I, with the other members who have spoken certainly apologize. We have not been at attentive as we should have been. I was unavoidably absent. I, with the other gentlemen, congratulate the honourable Minister for this splendid piece of legislation which, I am sure, will be of lasting benefit to all of the people of Newfoundland. I have great pleasure in supporting the second reading of this Bill.

MR. SMALLWOOD: Mr. Speaker, I would like to add my bit to those who have already spoken and to congratulate the honourable Minister of Public Welfare upon his masterly introduction of this Bill today. Newfoundland in general, I know, and the Government in particular are very proud of the fact that we have here a native son who is widely recognized across Canada as one of the truly great authorities of Canada in the field of Public Welfare. I remember the deep impression he made at Ottawa in January past when he was Newfoundland's spokesman at the Convention of all the Provinces held with the Government of Canada on this matter of old age pensions. The

Minister of Public Welfare, Paul Martin, told me personally that our Minister of Public Welfare made a very deep impression indeed upon all the representatives of the ten governments of Canada. At the many different Welfare Conferences that our Minister has attended, everywhere he has attended in Canada in recent years he has won for himself the very highest regard of all authorities and experts in Canadian field of public welfare. What the Minister has done is first to master the technique of welfare from the standpoint of actual distribution of welfare to those who need it the most and secondly and perhaps more important he has developed a sound philosophy of public welfare and what I like most of all about him in this matter is his clear realization that there must be a goose to lay the golden egg, that something must pay for social welfare and that that something is economic development. He defined economic development today with great clarity and I am delighted to know that the honourable gentleman who is not a businessman and not an economist sees so clearly, so vividly the fact that you can't have social welfare enduringly without basic economic development to pay for it. Sir, it is astonishing the difference that has taken place in this Newfoundland of ours in social welfare in the past three years. Three years ago, in Newfoundland, the only social welfare we had apart from dole of one kind or another, was the old age pension, 2,999 Newfoundlanders, just one person under three thousand Newfoundlanders, were receiving the old age pension of that day. Today it is four times as much. Three years ago Newfoundlanders had to reach the age of seventy-five before being eligible to receive a pension, and not all who were legally entitled to get

the pensions got it because the total amount of money distributed in old age pensions to these three thousand persons was two hundred and fifty thousand dollars a year and many an old toiler having become eligible had to wait for some other pensioner to die so that out of the two hundred and fifty thousand dollars that was to be spent on old age pensions altogether in a year he would get his pitiful pension of \$30 four times a year for himself and his wife, four times a year, ten dollars a month for a man and his wife. Now that, three years ago, was the only social security paid by the Government of Newfoundland or indeed by any Government to Newfoundlanders. Today, three years later, the picture is startlingly different and startling better. Today the old age pension starts at the age of seventy and is forty dollars a month for each, for both the husband and the wife, eighty dollars a month at the age of seventy. Now, under this new legislation today some thousands of Newfoundlanders between the age of sixty-five and seventy will receive, if they need it, a thirty dollar old age pension. That will bring the number, I believe to eighteen thousand as against three thousand three years ago. That will bring the amount paid out each year in old age pensions in Newfoundland from two hundred and fifty thousand dollars a year to a total of ten million dollars a year, from a quarter of one million to ten million dollars a year, in three years. That will not all come from the Treasury of Newfoundland, some will be from the Treasury of Canada as a whole and some from the Treasury of Newfoundland. But all of it will go into the pockets of some eighteen thousand worn out members of the toiling masses and a few millionaires, a few

wealthy people will receive the forty dollars a month whether they need it or not because at the age of seventy the pension is universal.

MR. CASHIN: I will soon get it myself, and my friend Spratt over there.

MR. SMALLWOOD: Whoever he is he will get his forty dollars a month the moment he reaches seventy years of age. Now, in addition, as the House knows, we have family allowances being paid to one hundred and sixty thousand or more Newfoundland children under the age of sixteen amounting to another ten million dollars a year and then on top of that we have the widowed mothers pensions paid to wives of men who have died or wives of men who have deserted them or of men who are pronounced incurably sick, women numbering nearly three thousand in Newfoundland receiving each year a total of a million and a quarter dollars, and on top of that again the Dependents' Allowances paid to persons who for one reason or another are incapable of earning their own living and numbering nearly six thousand more. My honourable and gallant friend from Ferryland is casting his mind back over the last thirty years of our public life and can remember, as a former minister of the Crown, as I myself do so vividly, the desperate struggle in the old days just to find enough money for dole alone, must be stricken with astonishment at the magnitude of this, almost beyond belief and there is nearly a thousand people receiving each year a total of one and three quarter million dollars. That is a grand total of twenty-three million dollars a year, and on top of that greatly improved veterans' pensions and veterans' allowances bringing it to a grand total of around

twenty-six or twenty-seven million dollars a year, more than two million dollars a month every month, rain or shine, good times or bad, that has gone, Mr. Speaker, to strengthen the economy of Newfoundland, to raise the living standards of tens of thousands of our people who never in all our history knew what it was to get a break. What that has done in hundreds of little outports where when the end of November passed until the middle of the following Summer they scarcely ever knew what it was to see the colour or hear the gingle of one half dollar. So many things have happened in Newfoundland in recent years that we tend to lose sight of it. It is altogether a strange development in Newfoundland, social welfare. It is not Newfoundland we are living in any more compared with what we knew before. It is a new Newfoundland with new life, new hope and a new spirit and I gladly pay tribute today to the honourable Minister of Public Welfare who, as a man who never in his life before mixed up in this hurly-burly of politics, never in his life before engaged in the cut and thrust of the sort my honourable and gallant friend and I have been used to all our lives, has nevertheless, because of an unquenchable faith in the cause of justice in Newfoundland, struck out with us in Newfoundland when at a time if I were to talk a little loud, if he were to tell the truth, would wonder why I have to shout like that, why not say it nice and quietly as he would if he were making the speech? We are all very proud of the honourable gentleman and I believe Newfoundland is proud of him, certainly his colleagues in the Cabinet are very, have very good reason to be delighted to find themselves in such free and intimate association with him as

one of our colleagues. Mr. Speaker, it is a proud day for this Government, prouder than I can find words to express that we are the humble instrument through whom it becomes possible that Newfoundland reaches out its hand to six thousand more of those of our fellowmen and women who need that helping hand most.

Moved and seconded this Bill now be read a second time. Ordered referred to Committee of the Whole on tomorrow.

Second reading of a Bill, "An Act Respecting Allowances for Blind Persons."

DR. POTTLE: Mr. Speaker, this Bill becomes necessary because it is expected that the legislation which now covers blind and old age pensions will go out of existence on the first day of January, 1952, when it is expected that the old age security, the present Old Age Pension Act will be repealed.

At the present time the legislation with regard to blind persons is in that Act. It therefore becomes necessary for the Government to take notice of that and to provide legislation so that when the Federal, the new Federal Legislation comes into effect we shall have the legislation ready to continue the present arrangement in regard to allowances of blind persons. A second Act will not become necessary. That is point number one.

Another point is that this Bill or the Federal Bill which enables this one to come into being provides a more generous means test and we have to take that into consideration. That will mean, Sir, on the average about twenty-four hundred dollars extra a year to the Newfoundland treasury and the funds for carrying

it out will be paid seventy-five percent by the Federal and twenty-five by the Newfoundland Government. As you know the main difference in the means test will be made more generous and that will be welcome news to people concerned who will qualify. I must say even now certainly all the needy blind people in Newfoundland are receiving assistance at the present time but the passing of this Bill should enable more blind needy people to receive more assistance. This is another Bill of considerable interest to the people concerned and I have much pleasure in proposing the second reading.

Read a second time; ordered to Committee of the Whole House on tomorrow.

Second reading of a Bill "An Act to Approve and Give Statutory Effect to an Agreement between the Government and Newfoundland Tanneries—William Dorn Ltd."

MR. CASHIN: Mr. Speaker, it is not my purpose at the present moment at any rate, in view of what happened this afternoon to make any lengthy comments on this Bill. Already the tannery, I understand, is in the course of construction, the machinery, I think, is all there and considerable money has already been advanced to the company. We know in Newfoundland that we have had tanneries here before, we had technical knowledge. If these people have special technical knowledge, particularly those from Czechoslovakia, we all know that leather wear, particularly shoe wear, is their specialty. In the Dominion of Canada today, in Ontario today there is a great firm with two factories, I don't think these people had received any government assistance. They have been successful as

far as I understand in getting their money out of Europe. When Czechoslovakia was invaded, this small company, because it is only small and insignificant compared to other companies, had to leave the country and I think the machinery is to be put in this plant over here and is second hand. At least I gather that from the remarks of the Premier in introducing this Bill.

MR. SMALLWOOD: His own plant has been dismantled and shipped over here.

MR. CASHIN: I will say this, the House has been given more information in every respect in connection with this Bill than they have been given about the machinery plant, nevertheless the principle involved is the same, the statistics given in the House by the Premier showing what leather and stuff is manufactured in the Dominion of Canada and what is imported and he feels the Dominion of Canada could afford another tannery in Newfoundland, which now forms a part of the Dominion of Canada. This thing is already in the course of construction and the House is to be dissolved in three or four days or a week because we are having a general election. Wednesday we had two beautiful political speeches put on here and this afternoon again as spirited a political speech as Sir Edward Morris, or the Late Lord Morris ever made in his balmy days, and he was supposed to be a great politician. At any rate he was always able to pull something out at the right moment, and I think the Premier and his Government certainly pulled out one this afternoon. But this industry, this one particularly, I understand, will be completed, I understand, will be in production shortly and whether I oppose it or sup-

port it is immaterial, it is in the lap of the gods whether it will pay or not. Why should I oppose it now, but I still feel this way about it. The Premier has given certain particulars which would indicate that the venture is to be profitable. I don't know if it is necessary here today to invoke the help of God to help it out because whether I vote for it or not it is going to go ahead, it is in the course of construction and before a very short time will be into the manufacturing itself. Which makes me wonder whether I should oppose it or not, whether I as an old politician should take advantage of this to make a political speech and denounce the Government in all its moods and tenses for bringing a tannery into Carbonear where they should have put it in Bay Bulls.

MR. SMALLWOOD: They will get something yet, it is a good place.

MR. CASHIN: Bay Bulls reminds me of Halifax, it is never prosperous until time of war, so with Bay Bulls, as far as that is concerned Bay Bulls received a certain amount of shipping during the recent hostilities. However, I am proud to say that Bay Bulls—now I am going to make a little political speech—never needed a tannery. They are able to haul it out of the water, they are able to do it yet, they did it this year and they are probably amongst the finest fishermen in Newfoundland and I am proud that some of my forefathers came from there. But in all these industries we are hearing so much about it seems that they have been placed in strategical places, political positions and one cannot blame the Government for that, that is their job. If you take a map today and pinpoint it like one would a map for military purposes, as I have often seen them pin-

pointed, where the various industries are located you will find they are located in positions disposed or anticipated to be pro-government, one cannot blame them for it and those who might be opposed to the Government have only to stay that way. It will ultimately happen now they will bring other industries into these other communities which don't seem to be so favourably inclined towards the present administration. I don't know, Mr. Speaker, whether I am in order or out of order at the present time in speaking to this Bill, whether I should oppose it which ordinarily I might on principle from what I know but I don't propose to use what I know for political purposes. I feel now as I felt the other day in connection with the Machinery Bill that industries such as these should have expert opinion and that is to say that when the Government puts up a dollar they have to make sure that the other parties put up another dollar in value and under present conditions they are not in the position to tell the House whether or not the other people are definitely putting up that other dollar. I mean by that they cannot prove to the House that the other people are putting up the equivalent to that dollar.

Now, I believe in industry, big industry, no matter what kind it is. Small industries are probably better than one big industry because a big industry is generally located in one particular place and serves only that one particular place, for instance, in the District which I have the honour to represent up to tonight or tomorrow or the day after, we are purely a fishing settlement right along from here to Trepassey; there is no forest with which to develop a timber industry, we have sufficient power to



develop an industry, and in that connection, Mr. Speaker, now that I have thought of electric power, I wonder if the Government interested in developing these industries, have investigated what power we have on the Avalon Peninsula to operate these industries, whether or not they have to install diesel equipment in order to generate their own power?

MR. SMALLWOOD: Let me say that now the Avalon Peninsula is facing a shortage of electricity. They are being supplied power by the Newfoundland Light and Power who have recently been given rights to develop power at Aquaforte and Cape Broyle and these are now being developed. We have a hydro-electro engineer who has spent all this summer investigating the possibility of developing more power at Clarke's Beach from the watershed in behind and power at New Chelsea in Trinity Bay and the watershed in behind there. But all of that put together—Bay Bulls, Aquaforte, Clarke's Beach, New Chelsea, when finally developed will still fall short of meeting the needs of the Avalon Peninsula for hydro-electric power because the consumption of power through the rapid increase in the use of appliances of all kinds will alone be enough to create a shortage of power, but with the establishment of factories the effect will become desperate and so, being a wise and farsighted Government, we have for some considerable time past had a distinguished engineer from one of the world's greatest electric companies, at their own expense, searching for power. We are happy to be able to say now that they have discovered a site that will develop eighty-five thousand continuous horsepower.

MR. CASHIN: On the Avalon Peninsula?

MR. SMALLWOOD: No, in Fortune Bay. I refer now not at all to the investigation recently made for us by the Power Corporation of Canada in Bay D'Espoir but rather to the Northerly part of Fortune Bay, lying beside Terrenceville which, as the House knows, is the most northerly extremity of the bay, at a place called Grand La Pierre where there is a head of five hundred feet and eighty-five thousand continuous horsepower which can be developed economically. The idea being to run a transmission line through the country from the powerhouse at Grand La Pierre to the Terrenceville road and then one transmission line to continue along the road into Whitbourne to link in with the present network of transmission lines on the Avalon Peninsula and the other transmission line running South to serve the Burin Peninsula which is in most desperate need of hydro-electric power more than any part of Newfoundland. My honourable friend is touching on a very urgent point which he nearly always does and it is one that has given the Government very serious concern but I am glad to say the situation is well in hand and I think we will have the power.

MR. CASHIN: I shall end these few remarks and in respect to the Newfoundland Light and Power though they are developing Cape Broyle. They have not done Aquaforte yet and I am going to point out that the United Towns also services the Southern Shore, made possible by the people's own money twenty odd years ago, I think but power which is now being developed on the Southern Shore is not to be consumed in that area at all, it is going to Bell Island. Witless Bay power went to Bell Island in 1929 or 1930 and these others are

also going to Bell Island, if they need it all I don't know but I imagine it will if it proposes to carry out the policy of the company to expand their facilities on Bell Island they will need additional power. I have been criticized as a public man but I have tried that some of it at any rate was used to light the Southern Shore. They are taking our Power from Cape Broyle and Aquaforte and bringing it over to Bell Island and our people from Ferryland South, there is electric light up to Ferryland, but from there South they are getting nothing out of the water-power whatsoever even though they own it. So I have been criticized no later than two weeks ago out in Gander by a chap from Fermeuse and he was kind of radical and told me they should go up there and have a sit down strike and not allow them to develop.

MR. SMALLWOOD: There is a far better way than that.

MR. CASHIN: However there is no other water-power up there I know of, of any account and I realize right now that sparsely populated settlements like we have in Ferryland are very difficult to service with electricity at a reasonable cost. They are only small homes and it would cost a lot of money to bring lights to the homes. However, we are getting away from the actual business and I am not going to detain the House much longer because in connection with the second reading of this Bill it is only a paltry amount, chicken feed—why should I oppose chicken feed, if it were several million dollars but being I must be very careful now as it only involves three hundred thousand dollars and because of the General Election we are to have in another couple of weeks and what is that to cost the country? It should cost

a couple of hundred thousand so why worry about three hundred thousand and why should I try to stop Carbonear from becoming developed and bring down upon my head the political and other enmity of a friend so eulogized by the Premier here this afternoon who represents the District of Carbonear-Bay de Verde. I am delighted that the historic settlement of Carbonear going back for many years in this country is now going to have a new industry on top of what is there already. I have a lot of respect for Czechoslovakians and if this chap Dorn was just a mere messenger boy, he should make a good job of the tannery in Carbonear and the tannery in Carbonear has Cashin's blessing this afternoon.

Bill read a second time, ordered referred to Committee of the Whole later today.

The House adjourned until 8 o'clock.

#### NIGHT SESSION

The House met again at 8 o'clock.

Third reading of Bill "An Act to Approve and Give Statutory Effect to an Agreement Between the Government and Newfoundland Asbestos Limited."

Bill read a third time, and passed.

Third reading of Bill "An Act to Amend the Alcoholic Liquors Act, 1949."

Bill read a third time, and passed.

Third reading of Bill "An Act to Amend the Public Records Act, 1951."

Bill read a third time, and passed.

Committee of the Whole on Bill "An Act to Amend the Automobile Insurance Act, 1951."

Sections 1 to 19 read and passed.

The Committee rose and reported having passed the Bill without amendments. Ordered to be read a third time on tomorrow.

MR. CURTIS: Mr. Speaker, honourable members have on their desks a copy of a Bill "An Act to Amend the Election Act, 1939," and I give notice I will ask leave to introduce this Bill and ask that it be read for the first time. The Bill is a very simple Bill, Mr. Speaker, and I think, in view of the announcement made by the honourable Premier, the House will be prepared to accept it. I will explain it when it gets second reading.

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

MR. CURTIS: Would the House, Mr. Speaker, be prepared to have it read a second time now?

MR. HIGGINS: Yes, if you let us know what the amendments are.

MR. CURTIS: This is a Bill to amend section 32 of the Election Act which requires the Governor by proclamation in some polling districts and sections and may by proclamation alter the same or appoint additional, "provided it shall be unlawful after the day fixed by proclamation for the nomination of candidates for any additional polling station to be appointed, or for any of the polling stations previously appointed to be altered."

I was talking this afternoon to Mr. Speaker, who is an authority upon elections, and I think that it is terrifically cumbersome before a booth can be fixed, application must come to St. John's and must go before the Lieutenant Governor-in-Council and proclaim the booths and the amend-

ment provides that the returning officer of the district can do that. The object of the Bill is to pass the authority to the returning officer so that he can open the booth without having the Lieutenant Governor-in-Council's consent and the Lieutenant Governor considers—

MR. RUSSELL: It is always opened the day after nomination.

MR. CURTIS: That was proven in the past to be a hardship because in some cases such as the logging camps it is impossible to determine where the people are and this enables them to open a booth in such cases.

The second point deals with the schedule set for fees, these are fees that were allowed in 1913:

"Returning Officer .....	\$75
Election Clerk .....	50
Deputy Returning Officer....	10
Poll Clerks .....	6
Door Keeper	
(or special constable) .....	1
Booth Hire .....	5

Where there is no contest, the fee shall be:

Returning Officer .....	\$50
Election Clerk .....	25"

During the past the House will remember we could not get men to serve for those fees and by order in council other fees were provided. It is difficult to mention set fees in cases like these, some electoral districts are large and others small, and we have been asked by Mr. Short if we can have authority under this amendment to pay additional fees in certain cases where otherwise it is impossible to get a returning officer, so the proposal is:

"3. Section 154 of the said Act is repealed and the following substituted therefor:

154. Except in cases where the Lieutenant-Governor in Council orders that other fees be paid, the fees to be paid in connection with any election held under this Chapter are those set forth in Schedule to this Chapter."

MR. RUSSELL: It does not affect the nomination fees. But I think when a candidate does get elected he should not lose half his fee.

Bill read a second time; ordered to Committee of the Whole House forthwith.

Committee of the Whole on Bill "An Act to Amend the Election Act, 1913."

Sections 1 to 3 read and passed.

The Committee rose and reported having passed the Bill without amendments. Ordered to be read a third time on tomorrow.

Honourable the Minister of Finance moves the House into a Committee of the Whole to consider Certain Resolutions in relation to the Grant of Supplementary Supply to His Majesty.

MR. SMALLWOOD: Mr. Speaker, I think I am supposed to speak to the motion.

MR. SPEAKER: You are supposed to inform the House that His Honour the Lieutenant-Governor is familiar with these resolutions recommended to the House.

MR. SMALLWOOD: First I must table copies of executive orders covering in detail the amounts mentioned in the resolutions. There are two amounts as the House may see, the

Department of Fisheries and Co-operatives and the Department of Economic Development. The executive order just tabled explains the details of these amounts.

MR. CASHIN: Have you copies of these amounts?

MR. SMALLWOOD: The Finance Department prepared one and I think I would like to hold on to one just to be able to explain the answers.

MR. CASHIN: I just wanted to know how many.

MR. SMALLWOOD: Probably the honourable gentleman would like to copy the amounts.

MR. SPEAKER: May I suggest that I leave the Chair and the House go into Committee of the Whole merely to approve the resolutions but report to the House, read a first time and second time. The Bill is produced and on second reading of it the House goes into debate on the Bill which will give the House ample opportunity to get the facts.

MR. SMALLWOOD: Mr. Speaker, I think it can be done either way. A debate may take place on the resolutions or on the Bill—the resolutions being tabled is largely a formality but I am at the service of the House.

MR. CASHIN: It does not matter.

MR. SPEAKER: I offered the suggestion because at this point I do not think honourable members are sufficiently familiar with it to carry on.

MR. SMALLWOOD: In Committee I will be able to give all possible information if that suits the House.

MR. CASHIN: Give the details now and at the Bill stage we can debate it.

MR. SMALLWOOD: I was trying to decide between two decisions whether to do it now on the resolutions or on the Bill.

MR. CASHIN: Do it on the resolutions and get it over with. The money is gone anyhow.

MR. SMALLWOOD: There are four classifications to be re-financed.

Now the next heading is Advances by Way of Loans:

Now, that should add up to \$6,300,000, and the other vote is \$50,000, Department of Co-operatives, which makes it the total shown in the resolutions, \$6,350,000.

MR. CASHIN: Is that an additional amount?

MR. SMALLWOOD: We replace a loan of \$40,000 with a loan of \$50,000 under different terms.

Now, Mr. Speaker, I have this explanation to make: First of all I take the first of the two items, the fifty thousand dollar amount. A committee was appointed by this Government consisting of His Lordship the Right Rev. M. F. O'Reilly, D.D., Bishop of St. George's, and Mr. H. M. S. Lewin, C.B.E., and Lyola Whelan, K.C., to make a study of affairs of the Lourdes Co-operative Society. They recommended very strongly, they went to Lourdes, Mr. Lewin provided a boat, and the Committee, under the Chairmanship of the Bishop, visited Lourdes. I believe it was Bishop O'Reilly who established the Lourdes Society, if not, he did establish one when he was Parish Priest at Lourdes. Bishop O'Reilly spent some time meeting the board of management and called a meeting of all members. In addition the Board of Management of the Society went to Corner Brook

for some consultations there and went pretty deeply into it. The Bishop especially is very familiar with the story from its early stage and the result was a unanimous recommendation to the Government from these three very respected citizens from the West Coast, that Lourdes was possible to save. It was possible to save it from disintegration. They recommended that a new management altogether be put in and that a firm of highly proficient auditors audit their accounts and that the loan would be cancelled, paid off and a new loan issued under entirely new circumstances.

MR. SPEAKER: I am sorry to interrupt the Minister but is not this more properly taken at second reading of the Bill which is not yet in existence?

MR. SMALLWOOD: I feel so too, but thought we agreed that what we would otherwise do at second reading we would now do at the present time.

MR. SPEAKER: That was not my interpretation, but that it is merely permitted to read the certificates so the House would know why the resolutions were necessary and to go into committee on Supply and adopt or reject the resolutions and have the debate in its proper place on second reading and finish the details in Committee of the Whole.

MR. SMALLWOOD: I agree entirely with your Honour.

MR. CASHIN: I thought you were going into committee on the resolutions.

MR. SPEAKER: Yes, the motion is I do now leave the Chair.

Committee of the Whole on the Resolutions.

MR. SMALLWOOD: I think perhaps His Honour is anxious to get out of the Chair. Well, Mr. Chairman, the recommendations of this committee of distinguished citizens of the West Coast were adopted by the Government in toto and hence this request of the Government now to the House to legislate for sanction of what it did by way of lending this amount of fifty thousand dollars. That explains the first item. Now, the others. \$500,000 for the Cement Mill. This is a completely recoverable loan from the Government to its own company wholly owned by the Government, The North Star Cement Limited, a Crown Corporation created for the sole purpose of taking control of the operation of the cement mill. The directors of that are, as I have read in the Order in Council, the Attorney General, The Minister of Public Works, the Director General of Economic Development and our engineer who constructed the mill at least was in charge of the construction of the cement mill and also the gypsum mill with myself as Chairman of the Board. The share each of us has is one share each, that share is bought and paid for by the Government and each of us hold that one dollar financial share, ex-officio, not as our own property but on behalf of the Government. The Government owns one hundred percent of the shares. Upon vacating office and turning the office over to our successors we would have to turn the share over to the Government, we do not own the share, we hold them ex-officio while we hold office. That amount \$500,000 plus one hundred thousand dollars form the capital.

Now, the other amount, as I say, there are four here, they are advances to be refunded, the fur factory for

three quarters of a million, the tannery, three hundred thousand, the machine plant two and a half million and the other is the textile mill. What does that mean, advances to be refunded? It means this, the Government of the House and His Honour the Lieutenant Governor so enacts in legislation, is authorized to guarantee the bonds of these amounts under certain conditions set forth in the Bill. In the meantime, until such time as the actual placing of the bonds of each of those companies is finalized, we have asked authority to advance the money to them in cash from the Treasury from time to time in each case under the terms and conditions of the Bill or the Act. If it becomes law these advances would be paid back to the Treasury out of the proceeds of the bond issue when they are realized. So that these are advanced only to be refunded, to be repaid to the Treasury within a few weeks. Then the second class are actually loans \$75,000 and \$50,000, the United Engineers—

MR. CASHIN: Who are the United Engineers?

MR. SMALLWOOD: They are the people who are building the tannery and also the cotton mill and perhaps others of these.

MR. CASHIN: Is that an European company?

MR. SMALLWOOD: It could be structural machinery, they are actually building the tannery and are prepared to move in at once on the construction of the cotton mill which we did hope would have started by now and would have started on construction by now but for the unfortunate fact the site needed became unavailable to them only on lease which

does not suit their purpose. The advance is for the purpose of preferred shares \$75,000 that is the actual purpose of the advance, the taking of shares in the Newfoundland Asbestos Limited, preferred, convertible debentures.

MR. CASHIN: How about the leather goods?

MR. SMALLWOOD: That is a three-year loan, that is the amount and seems absurdly small when talking of an industry of \$50,000, but in the leather goods industry very little machinery is used, a lot of it is hand work which is a good thing from the standpoint of labour giving, a lot is hand work and a lot is machine work, taking leather and bending and twisting it into different objects, brief cases, suit cases, valises, and lots of other articles of fancy leather goods, so actually as we advance actually against machinery or actual investment by them either in machinery or equipment or raw material we cannot advance any more than that.

Now, in this particular case they have no intention certainly at the outset of erecting a building, instead we have agreed to rent a building presently owned by the Government, to rent them the building so that they have no capital outlay to make on construction of a factory building.

MR. FOGWILL: Where is the building they are renting?

MR. SMALLWOOD: The building is on Cornwall Avenue, the liquor store is in the basement downstairs and the leather goods factory the top floor of the building.

MR. RUSSELL: Is it piece work or hourly wages?

MR. SMALLWOOD: Hourly wages.

Yes, the answer is hourly wages but during the training period when a man is learning the trade which takes a matter of months, piece work or else hourly wages at a lower rate while learning or piece work until he is more skilled whereupon he will be paid hourly wages, at a living wage.

Finally the purpose of this is to purchase the Octagon for sale back to the company, \$50,000. Now, I think that covers it, all the rest of these are the form which the Government must go through to comply with the provisions of the Audit Act. We have to act in strict conformity with the Audit Act, so we have a lot of memos and warrants and details but the final step is what the House does, the way the House does it. The only money the Government can spend is what the House of Assembly grants it. If, when the House is not in session, there arises a contingency which in the view of the Government comes within the terms of the Audit Act, then, but only then, can the Government spend money which was not voted by the House for that particular purpose. Now, there is within the Audit Act provisions to use countervailing savings, but if there were no countervailing savings then a special warrant is called for His Honour to make and that calls for going through certain formalities and official machinery, copies of which I have tabled here tonight.

MR. RUSSELL: Tell me this, it probably does not matter, but in view of the recent important announcement made to the House I am curious to know. Is it the Government's intention to bring in legislation and put it through all stages and enact legislation for all those industries that have been mentioned? Because let us take for instance one

already enacted, the Machinery Plant, and two others are in the process of enactment, second reading has now been debated. If the House passes this supply Bill it is ratifying an advance to an industry, to a fur company for instance, and unless the Bill is enacted and given statutory effect to some agreement with that company, what is the position then? It seems a rather peculiar position, advancing money to a company where there never may be one until we do it. Now will the honourable Minister of Justice tell me that?

MR. SMALLWOOD: The honourable gentleman has raised a very good point. The fact is no legislation is before the House with regard to the fur dressing and dying industry and there is no intention to bring such a Bill before the House at this session for which reason this amount can quite easily be stricken from the paper which is exactly what I propose to do. But it must be brought in here, we have no excuse under the Audit Act once the amount is authorized then the order when it goes through must be brought in here and the amount must be included in the resolutions and it is for that reason and no other that it is in fact brought in here. That actually comes off the total, but with regard to the Tannery and Cotton Mill it is the Government's intention to complete them.

When I say coming out now I would like to say exactly what I mean. We do not ask the House to authorize that expenditure in this session, the Government has by special warrant and specific order and all the rest of it under the Audit Act authorized the expenditure of it. That is so and for that reason must bring it forward now according to the terms of the Audit Act but we have no intention

of proceeding with that industry before the House next meets in the next session — we have therefore brought it forward only because we must. It is the law to bring it forward, and we now inform the Committee that we do not desire to have the House vote it. It is a fine delicate legal point, we had quite a discussion on it in the Department of the Attorney General as to whether or not when a special warrant is issued and the Government does not propose to spend it, that there is any need under the Audit Act to bring it forward in the House? None of it is spent so was there any need actually to table it in the House? Well! the consensus of opinion was that legally, constitutionally, according to the terms of the Audit Act it must be tabled and then inform the House that it is not our intention to spend it. Now must the House pass it? The consensus of opinion is that it must. But if the House passes it I want to give notice that the Government will not spend it before it is authorized specifically at another session of the House. It is brought in now because we have no choice in the matter as the Audit Act provides that we table it here and we do so although I say at the same time we do not intend to spend it until the House meets again and specially authorizes it.

MR. CASHIN: Why can't the Minutes of Council be cancelled by another minute of council? When the money is not spent, annul it.

MR. SMALLWOOD: No, the Audit Act provides that when His Honour the Lieutenant Governor issues a special warrant that must be tabled in the House and the House must give authority to spend it. Now, I say we don't want authority to spend



it from this House but I think the Audit Act commands that it be done.

MR. RUSSELL: We won't give you authority.

MR. HIGGINS: What about the Tannery and Leather, is it the same as this?

MR. SMALLWOOD: The hundred and fifty thousand, no.

MR. CASHIN: That is the one hundred and fifty thousand to be spent; there is a Bill before the House for that and the Canadian Machinery's Bill is two and a half millions, and the United Cotton Mills, two millions. Those Bills are before the House now. This afternoon the Premier made a very important announcement. He announced a general election before he goes ahead with this industrial programme, that he would go to the country and have the people give him a mandate to carry out this programme. Now, these two amounts here, two millions and two and a half million dollars are both large amounts of money involved in that industrial programme which the Premier spoke of this afternoon. Now, are we going to pass those when the people have not given any mandate and get a mandate for the other ones? That is the question.

Now, the United Engineers, the people constructing those various plants I take it; the Tannery and Leather Goods Company, we have not advanced them any money but it is proposed to give them a loan of fifty thousand dollars.

MR. SMALLWOOD: The plant is on the way.

MR. CASHIN: We are giving a loan to a construction company to come in here to build these plants. In other words this particular con-

struction company comes in here from abroad and if we have any construction companies in the country they don't get an opportunity to build the plant, these outsiders come in and do it and we are financing them.

MR. SMALLWOOD: I may say this Construction Company is interested in each of the companies whose buildings they have erected, several, not all by any means, but several of these new industries are doing their own construction, and forming a special company to do it, the owner of which company is a shareholder in some of those other companies whose factories he is building. Now, they have two men here in Newfoundland who are not Newfoundlanders, just two, all the other workers are Newfoundlanders and I will say it frankly, it is just as well to let it out of the bag: We are getting sick and tired, entirely fed up to the teeth in this Government at the cost of construction in Newfoundland, fed up to the eyebrows and we are giving these fellows a chance to see if they can build cheaper than the others are doing. That is the story. These various new industries say; we understand construction costs are very high in Newfoundland and we try to say; no, not too bad, so on though they are in most cases, not all but in most cases. So they say: Let us build them ourselves as we are interested in getting these buildings erected as economically and efficiently and as rapidly as possible. So what could we say, but all right build them yourselves. Now, the very same steamer that brought the tannery machinery and equipment and the steel and the rest of it, brought at the same time the construction machinery for this construction company and it is a very modest loan.

MR. CASHIN: I quite understand that. The Asbestos Company, that Bill has been passed, and the Machinery Plant for two and a half millions and the advance to the North Star Machinery. The Government issues one hundred thousand dollars in shares and then there is another five hundred thousand in the pool to give working capital, that is six hundred thousand dollars really loaned that company.

MR. SMALLWOOD: No, all we subscribed to that actually is one share each. Actually I believe it is capitalized at one hundred thousand but I believe—

MR. HIGGINS: What is the five hundred thousand for, to build the factory?

MR. SMALLWOOD: No, wages for the men in the mill, the actual wages for operating the cement mill.

MR. HIGGINS: I see.

MR. SMALLWOOD: Now, there are one thousand shares of one hundred dollars each and the only shareholders are the directors with one share each.

MR. CASHIN: You have five hundred thousand in supplementary supply and that one hundred thousand is neither here nor there, it is nothing, but it is unnecessary to put it in there because that hundred thousand in shares is purely nominal. You don't have to buy the shares and it is not necessary to put one hundred thousand dollars in there. You have a half million to operate the cement mill and get it in production, sell its product and receive the revenue and pay its expenses, a half million dollars which will be repaid back to the Government and when the cement

mill pays profits and will then have its own capital, if we can make half a million dollars in a year—

MR. SMALLWOOD: If we form a company we must have some capital and we feel that it is purely a nominal transaction but the North Star Cement Limited, owners of a large cement mill, should have a capital of at least one hundred thousand dollars but it is only a nominal transfer and will come back, we call it one hundred thousand dollars and actually issue only these six shares. There is the President of the Company, the Chairman, the secretary and five shares, that is all. Five hundred dollars, that is all. No, pardon me, there is another director, six hundred dollars.

MR. CASHIN: Now, I notice this Co-operative plant over in Lourdes is in trouble again. I think last year we voted forty thousand dollars to pay its bills. Is this another fifty thousand in addition.

MR. SMALLWOOD: The fifty thousand dollar loan replaces the forty thousand. It is an increase of ten thousand dollars.

MR. CASHIN: In other words, they got a loan of forty and are now getting a loan of ten.

MR. SMALLWOOD: Yes, under new terms.

MR. CASHIN: We have passed legislation covering that forty thousand dollars. Why this legislation now for fifty? Should it not be ten?

MR. SMALLWOOD: Well, it had to be done by warrant, it is a new loan under new conditions.

MR. CASHIN: We passed it in the House, you did not have to have a warrant.

MR. SMALLWOOD: The warrant is for new terms and new conditions and changing the amount by ten thousand for which we now seek legislation sanction.

Now it is fifty thousand which is an increase of ten.

MR. CASHIN: But that was already voted. They are going to pay that back?

MR. SMALLWOOD: We cancelled the forty thousand dollar loan.

MR. CASHIN: Now I see, we are getting places. In other words their original contribution was forty thousand and now they want a little more and the Government gives them another ten.

Now, with respect to these other two Bills on the Order Paper, Canadian-Machinery and United Cotton Mills. If we have to have a mandate from the people on all this development, these two industries should be included in that mandate and should not be given preference over the others, though I agree—

MR. RUSSELL: I think exactly the same way and I made a suggestion once that some of this should be left over a few days or even a few weeks for someone else's opinion. I would not dare to give an opinion, it is much too big a responsibility. If I had the final say as to what to do I would not know, as I say I am neither for nor against it now. It appears the people have the right to say, the real authority who have a right to say are going to have a chance to do so and give a mandate to us here in the House, and pending that mandate this is taking away from them at once almost half, we are here taking away from them a great part of the power which apparently we are offering

them in a mandate in the next few days. For us to go ahead here and settle that matter in my opinion is highly improper. That is just my opinion in view of the fact that the people who are most concerned in the matter will have an opportunity to settle it in the very near future. I am a bit surprised to find it is anyone's intention to go ahead and settle these matters right here now. There is no need of it in my opinion and these matters should just stay where they are, in the committee stage, and the other two which have just passed second reading. I thought I would pretty soon have the opportunity to speak on second reading on those two Bills, give my opinion and finally vote one way or the other in the committee stage but now the rightful shareholders, the people, are going to have an opportunity to do it instead, and frankly I am relieved, they will have the responsibility instead of me and since they will have the opportunity so soon I really feel hesitant, so hesitant about it that I don't think I should take any further part in this, in any further discussion on it and that applies to everything involved.

MR. SMALLWOOD: There is in principle a great deal in what the honourable gentleman says. Because of that very principle, I announced today my intention to ask His Honour to dissolve the House of Assembly and cause a proclamation to be issued calling for the holding of a general election to submit this whole matter to the public. So, as I say there is a great deal of truth in what the honourable gentleman says. There is also this fact: that there are three industries which are either in the course of actual construction now or are about to begin construction. The elec-

tion will be held towards the end of this present month and it will be several days, no doubt, before the results are all in and we know who has been elected, we may think we know but won't actually until the votes are counted. We are pretty sure, but actually don't know. Now, that would bring it into early December. Then the new cabinet has to be formed and sworn in and then ten days' notice must be given before the House can meet and it might well be the middle of December before the new session can be held. Now, in the meanwhile what will we do? Shut down construction on these plants? That is why we ask this authority. On the other matters quite frankly we will not proceed until we have the mandate from the people of Newfoundland.

MR. CASHIN: Now, Mr. Chairman, I realize that the Canadian Machinery Company are in course of construction on their plant in there. Do I take it the United Engineers are the ones doing that job?

MR. SMALLWOOD: No. They are building the tannery at Carbonear, and the cotton mill on which they had hoped to begin construction on Monday of this week but the site fell through and they now don't have a site.

MR. CASHIN: Can't we leave out the cotton mill?

MR. SMALLWOOD: And lose a month of construction time at this period of the year? It is not like the middle of summer.

MR. CASHIN: Have they any other site in view at this present time?

MR. SMALLWOOD: Yes.

MR. CASHIN: I hope it is not my farmer friend, if so there will be a war and no election. Like the Premier said I will myself declare war on the Canadian Navy and the whole works, I would declare war on the United Cotton Mills. The Government has declared its intention to go ahead and I just want to draw attention to the fact that the announcement has not—

MR. RUSSELL: If we are to have a mandate, let us have a mandate.

MR. SPEAKER: The Committee reports having approved the resolutions. Resolutions ordered received and read a second time.

The Honourable the Minister of Finance asks leave to introduce a Bill, based on said resolutions. Now read a first time.

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

Read a second time, ordered referred to committee of the whole now.

Moved and seconded the committee rise and report having passed the Bill without amendments.

MR. SMALLWOOD: Mr. Speaker, we might go back to No. 5. Now, I don't think that was completed. What happened was that the debate was adjourned until later in the day. We might resume No. 5.

MR. SPEAKER: This Bill was read a second time earlier in the day and ordered to Committee of the Whole at a later hour this day.

MR. SMALLWOOD: Then, Mr. Speaker, we might go into committee on it.

Committee of the Whole on a Bill, "An Act to Approve and Give Statu-

tory Agreement to an Agreement between the Government and Newfoundland Tanneries—William Dorn Limited."

Schedule read.

MR. HIGGINS: Mr. Chairman, I was just wondering if the Government is giving \$300,000 and it is to cost four hundred thousand, where is the other one hundred thousand to come from? Is this company bringing out machinery and is that where the capital of one hundred thousand dollars is?

DR. POTTLE: It is estimated that the machinery will be worth three hundred thousand dollars.

MR. HIGGINS: Then the Government's going to build the factory and that is all?

DR. POTTLE: Yes.

The Committee rose and reported having passed the Bill without amendments. Ordered read a third time on tomorrow.

DR. POTTLE: Mr. Speaker, when second reading was given today to the Old Age Assistance Act and the Blind Persons' Pension Act, it was, I think, agreed that later today we would go into Committee of the Whole on them and if that is agreeable I would so move.

MR. SMALLWOOD: If we could have unanimous consent, I think the House is agreeable.

MR. CASHIN: If some fellow wants to get licked he could get up and oppose it.

Ordered that this Bill be referred to Committee of the Whole tomorrow be rescinded and the motion is that this Bill be now referred to Committee of the Whole.

Committee of the Whole on Bill "An Act Respecting Old Age Assistance."

Clauses 1, 2, 3, 4, 5, 6, 7 read, carried. Clause 8 read.

MR. HIGGINS: I wonder if you can explain exactly the reason for that?

DR. POTTLE: There is one good reason for it, the obvious one. Of course, as stated here, the Government of Canada will not assume any responsibility where there are over-payments, that duty we will have from the point of view of administration, and that will keep the Board on its toes to make sure that the decisions of the Board are based on facts, when they make calculations of an allowance for any person they must know it is not being overpaid. Otherwise it is very troublesome and we are expected to bring in legislation where, if there is any overpayment, the Government of Canada will not be held responsible for it.

MR. HIGGINS: I put it this way: you pay the money first.

DR. POTTLE: Yes, it is a post audit.

MR. HIGGINS: So this gives you the right to pay any one who deserves it before you get any Federal Authority to accept this man's pension.

DR. POTTLE: The refusal of the Federal Authorities can be only on proof that the person is not really eligible.

MR. HIGGINS: You can take the chance and if the Canadian Authorities refuse to accept it, we are liable.

DR. POTTLE: We are liable for the whole amount. We certainly would

not collect from the individual. We would give him the benefit of it.

MR. RUSSELL: This is exactly the same procedure as today with the seventy-five twenty-five percent. The same procedure.

DR. POTTLE: Yes.

Clause 8 through 13 carried.

MR. HIGGINS: What is meant by both of these—The Old Age and Blind Persons, came under the same Act in 1949?

DR. POTTLE: Yes, because the Federal Act excludes them but our Provincial Act included both—the one being repealed by the Proclamation coming into effect.

Clause 14 carried.

The Committee rose and reported having passed this Bill without amendments.

Ordered read a third time on tomorrow.

Committee of the Whole on Bill "An Act Respecting Allowances for Blind Persons."

MR. HIGGINS Mr. Chairman, I presume these two acts are the same, are they not?

DR. POTTLE: The administration is the same.

Section 1 to 3 read and passed.

Section 4 read.

MR. HIGGINS: I was wondering—The Old Age Assistance has fixed salaries.

DR. POTTLE: The Board under the Blind is the Board under the Old Age Assistance. It is provided for under the senior parent act, the Old Age Assistance under which the Board is set up to administer this one.

Section 4 passed.

Section 5 to 13 read and passed.

The Committee rose and reported having passed the Bill without amendment. Ordered read a third time tomorrow.

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

The House adjourned accordingly.

FRIDAY, November 2, 1951

The House opened at three of the clock.

MR. SPEAKER: I have the honour to inform the House that His Honour, the Lieutenant Governor would be pleased to receive the Address in Reply, presently.

Accordingly, Mr. Speaker and members of the House proceeded to Government House and being returned to the Assembly Chamber, Mr. Speaker informed the House that His Honour had received the Address of Thanks and had been pleased to reply thereto as follows:

Mr. Speaker and Gentlemen of the Honourable House of Assembly:

I thank you for Your Address in Reply to the Speech with which your Present Session was opened.

#### Presenting Petitions

None.

#### Presenting Reports of Standing and Select Committees

None.

### Giving Notice of Motions and Questions

HON. P. S. FORSEY (Minister of Supply): Mr. Speaker, in accordance with the provisions of Section 5 of the Local Government Act, I place on the Table of the House copies of the Town of Corner Brook Resolutions, passed by the Town Council on the 19th day of May 1951, and approved by the Lieutenant Governor in Council on the 30th day of June, 1951.

### Notice of Motion

HON. LESLIE R. CURTIS (Attorney General): I give notice, Mr. Speaker, that presently I will give notice to introduce a Bill "An Act to Amend the Town Council Bond Guarantee Act, 1951."

### Orders of the Day

Third reading of Bill "An Act for Granting to His Majesty Certain Sums of Money for Defraying Certain Expenses of the Public Service for the Financial Year Ending the Thirty-first Day of March, One Thousand Nine Hundred and Fifty-two and for Other Purposes Relating to the Public Service."

MR. CASHIN: Mr. Speaker, before the third reading there are just one or two questions I would like to ask the honourable Minister of Finance. That is in answer to a question tabled here, I was told there was \$20,000,000 to our credit in Ottawa, with the Federal Government. Well, I take it that deposits have been made there during the past six or seven months because if my memory serves me right now, last year when the House was open there was fifteen million and now there are twenty millions. Was it taken out of the cash surplus here and transferred to Ottawa?

HON. J. R. SMALLWOOD (Prime Minister): Yes, we did make deposits.

MR. CASHIN: Now, we owe the Bank of Montreal a million dollars.

MR. SMALLWOOD: An overdraft.

MR. CASHIN: At what interest?

MR. SMALLWOOD: Very little. And to be quite honest I am not sure if it is still an overdraft or if it has been wiped out.

MR. CASHIN: Honestly, I do not see how it can be wiped out by the end of the fiscal year. If my memory serves me right we voted five or six hundred thousand for economic development; now we are voting more in this Bill.

MR. SMALLWOOD: It means withdrawals from deposits in Ottawa and it means also that certain amounts which were authorized by the House at the last session to be withdrawn from the surplus, many of these amounts have not in fact been withdrawn. You see, the House passes a supply Bill giving the Government the authority to spend it.

MR. CASHIN: I know that.

MR. SMALLWOOD: It merely gives authority and there are some amounts which the House has given authority to spend which we have not spent. Now, under the Audit Act the Government have authority in any given department to spend on one purpose that which was authorized to be spent on another purpose, if it is not spent on that special purpose, the saving is known as countervailing saving and they become drop balances if at the end of the year they are still not spent on the original purpose or for some other purpose then they become drop balances. They are really

drop balances at the close of the year only if they are still unspent so that actually half through the fiscal year it is next to impossible to know exactly without a lot of detailed information that only the Government could have, how much of the amounts authorized by the House to be spent will in fact be spent by the close of the financial year. So that my honourable and gallant friend cannot possibly hope to estimate the total expenditure on current or capital account at the close of the year, March 31, by adding the figures in the estimates of last session to the amounts voted in this session because there are, as we call them, drop balances running all through, and even now in this supply Bill which authorizes the Government, if and when it is adopted, to spend certain other amounts. Even then it is not an absolute assurance that any or all of these amounts are to be spent. The Government asks for the authority. I will give an example: The honourable Minister of Supply under whom local government affairs fall—

MR. SPEAKER: Here I must interject. This is entirely out of order, no questions may be asked or answered after the Orders of the Day have been entered upon. Members should have answered questions when the order of the day was called. However, if the House wishes to have the information—

MR. SMALLWOOD: I guess with the unanimous consent of the House I could conclude by citing this one example. During the past several months at the insistence of the Minister of Supply the Government undertook to guarantee the bonds of a number of town councils for the construction of water systems, at Springdale, Lewistown, Grand Bank, Fortune and

I think, Port aux Basques. They were delayed floating the bonds and the Government got a special warrant, I think, to advance cash temporarily to the Town Councils pending the time when their bonds would be sold. They were obliged to bring that order in council before this House where in fact we don't need to do it because the bonds have now been sold, nevertheless we must table it here.

MR. CASHIN: You have advanced money, I take it, then table that.

MR. SMALLWOOD: No, we advanced a small amount but we had undertaken a larger amount, the need for which ceased when the bonds were floated. Now, out of the proceeds of the bonds the government are repaid. Merely temporary advances and that is exactly what happened all along the line.

Moved and seconded this Bill be now read a third time.

Ordered passed and title be as on the Order Paper.

Third reading of a Bill "An Act to Amend the Automobile Insurance Act, 1951."

Read a third time, ordered passed and title be as on the Order Paper.

Third reading of a Bill "An Act to Approve and Give Statutory Effect to an Agreement Between the Government and Newfoundland Tanneries—William Dorn Limited."

MR. JOHN J. HIGGINS (Leader of the Opposition): Mr. Speaker, in view of the mandate I move this Bill be read six months hence.

MR. SPEAKER: To this motion an amendment has been offered to the effect that this Bill be read six



months hence. The motion is the word "now" do stand part of the question—That this Bill be now read a third time.

The ayes have it.

MR. CASHIN: What Bill is that?

MR. SMALLWOOD: The Tanneries.

Division called.

Favour: Honourable the Premier, Honourable the Ministers for Public Welfare, Health, Honourable the Attorney General, Hon. Mr. Vardy, Honourable Ministers for Fisheries and Co-operatives, Supply, Provincial Affairs, Labour, Education, Mr. Morgan, Mr. Courage, Mr. Mackinson, Mr. Button, Mr. Janes, Mr. Horwood, Mr. Cashin.

Against: Honourable the Leader of the Opposition, Mr. Fogwill.

Seventeen to two.

MR. HIGGINS: I ask, Mr. Speaker, that vote be recorded in the minutes.

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

Third Reading of Bill, "An Act Respecting Old Age Assistance."

Read a third time, ordered passed and title be as on the Order Paper.

Third Reading of Bill "An Act Respecting Allowances for Blind Persons."

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

Third Reading of Bill, "An Act to Amend the Election Act, 1913."

Read a third time, ordered passed and title be as on the order paper.

Second Reading of Bill, "An Act to Approve and Give Statutory Effect

to an Agreement between the Government and United Cotton Mills Limited."

MR. SPEAKER: For the information of the House the honourable Premier moved the second reading of the Bill which was spoken to by the honourable Leader of the Opposition and the honourable member for Ferryland and the debate was adjourned.

MR. FOGWILL: Mr. Speaker, I just want to make one or two remarks, probably along the same line as the remarks I made on one similar Bill and that is the fact, Mr. Speaker, we have not sufficient information here, in the Opposition at least, that would give us any idea at all whether such a mill as outlined here, a cotton mill, could be a success or not. All we have is the Premier's explanation of this Bill that there was a big market in Canada for cotton goods. Now, that may be true, and that there is a big market in the United States for cotton goods, that is also true but it is true also that they can supply their own particular needs and export elsewhere. The conclusion is this, if the Government assures the Opposition, which they have not in any way at all, but if they could show the Opposition wherein it could be proved or we could be given a reasonable idea of whether or not such a cotton mill in Newfoundland could be successful. So far, Mr. Speaker, we have no information whatsoever except the over-confidence of the Premier in introducing the Bill. He tells us the people coming here have no dollars, that they are very rich people in their own right in the land in which they live, in their kind of money, but it is no good to us. Therefore they tell us that if they come out here and open a cotton mill of

this sort we have to put up the dollars. Now before this government puts up the dollars for the building of this mill some facts should be shown, not to the Opposition but to the Public of this Country wherein their money is being spent for the erection of a cotton mill that there is a very limited market here in our own Province. I know there is a large market in Canada, but if it could be shown by the honourable Premier that this company could operate and sell in a competitive market like Canada which is the only market we probably could have, not the United States, and sell in competition with the cheap goods coming in from Japan and other places, then we here could form a better idea as to whether or not we should give this Bill our support. But under the circumstances, Mr. Speaker, that is entirely impossible with the information at hand. I can't see how anybody on this side of the House or any side, any other member who has not the information could have confidence in such a Bill as explained in this House by the Premier.

MR. SMALLWOOD: Mr. Speaker, in closing the debate I won't delay the House very long and I won't do more than recapitulate the facts that have emerged in the debate. The Government from amongst many industries in Europe has been very careful to select for negotiation only those whose reputability has been attested to our satisfaction. We had one case, for example, of a firm who came here to St. John's from Europe who entered into negotiations with us and about whom we were careful to get reports from dependable sources. The result was that we cut off the negotiations with that firm because they did not meet our high and exacting standard

of reputability. So in the case of this cotton mill we were very careful to investigate their reputability and they met the very severest tests so that we are quite satisfied that we are dealing with people who are very reputable. We satisfied ourselves then, and I remind the House that always we regard ourselves while we are the Government as the envoys and representatives of the Newfoundland people and as such we satisfied ourselves as to the industrial and commercial reliability of these people. Two members of the Government visited three of that company's cotton textile mills and saw thousands of their workers at work. So that we begin with this: the fact that they are a highly reputable firm, that they have undoubted industrial and commercial skill and experience. We feel we are quite safe in negotiating with them, quite safe indeed. Now, the next thing to which I invite the attention of the House is the fact that this firm has investigated firmly the market conditions throughout Canada. They have satisfied themselves that there is a good market in Canada for their output in Newfoundland and year by year that they can in Newfoundland manufacture for sale in the Canadian market at a satisfactory profit.

Now, I can not say that the Government are competent to assess, to determine exactly the certainty or otherwise of that United Cotton Mills of making a satisfactory profit. We have however investigated the Canadian market and over one hundred million dollars worth, nearly two hundred million dollars worth, of cotton textiles are imported into Canada, Canada falls short by nearly two hundred million dollars of supplying her own needs for cotton textile goods. What we find it quite impossible to

believe is that a great industry could operate for a hundred years in six mills employing something in the neighbourhood of ten thousand workers in the production of cotton textiles should fail in Newfoundland, or Canada, when they have been so successful in their own country. We cannot see that they will lose their industrial and commercial skill. The market is here. As the House is aware even in Newfoundland itself many millions of dollars worth of cotton textiles are consumed, close, I believe, to ten million dollars worth of cotton textiles of one kind and another are consumed right here in Newfoundland and in Canada as a whole close to two hundred million dollars worth. Now, I don't know there is anything I can add. We on this side are quite confident, we have no doubts that this cotton textile mill in Newfoundland will be successful. It will employ many hundreds of Newfoundlanders at good wages and in passing I will say that there will be no chance that the Government of Newfoundland will have to do what this Bill gives us authority to do having guaranteed their bonds, that we will have to pay the interest on them. We are quite satisfied about that and if we were not we would not speak in favour of this industry. We would not undertake to pay interest and principal if we were not quite satisfied, entirely satisfied that it is a sound and economic proposition. Only time, of course, will tell. Even the Opposition, I am sure, will join with the Government in praying and hoping if not in believing that this enterprise will be a reasonable success because I understand that the honourable members of the Opposition take the stand that they would like to know more about it before they vote for it. It is all right but in taking that stand

I am sure they must join with us as patriotic Newfoundlanders in the hope at least that they will prove successful as we here on this side of the House are sure they will be.

Read a second time, ordered referred to a Committee of the Whole House forthwith.

Committee of the Whole "An Act to Approve and Give Statutory Effect to an Agreement between the Government and United Cotton Mills, Limited."

MR. CASHIN: Have the rules of the House been suspended?

MR. SMALLWOOD: No, by unanimous consent.

MR. SPEAKER: When the House asks leave and there is no dissenting voice then the motion is made.

Committee:

Schedule read. Sections 1 through 13.

MR. HIGGINS: Mr. Chairman, I would like to refer to paragraph five, page five. The Government will make loans, etc. I was wondering where the ten thousand dollars was coming from.

MR. CURTIS: They have that much cash.

Schedule passed.

Clauses 1 to 3 read and passed.

The Committee rose and reported having passed the Bill without amendments. Read a third time, ordered passed and title as to be an on the Order Paper.

Second Reading of Bill "An Act to Amend the Loan and Guarantee Act, 1951."

MR. SMALLWOOD: Mr. Speaker, in moving the second reading of this Bill, I can give the necessary explanation. This is a Bill to authorize the Government to give certain guarantees for fishery development. It is in the main three items and the fourth item is to cover the amounts mentioned last night in the other Bill with regard to United Engineers \$78,000.

Now, the first three items, Western Cold Storage Limited, \$495,000; Gaultois Fisheries Limited, \$425,000, and Placentia Bay Fisheries Limited, \$250,00.

Western Cold Storage, Limited. That is a pleasant point. Mr. Speaker, this is one of the most necessary things in Newfoundland today. Bay of Islands is the home of a great herring fishery. Unfortunately there is at present in that great bay no way to hold herring once the herring fishing season ends and all further activity stops. The great dehydration plant at Cox's Cove which reduces the herring to fish meal and herring oil will operate only to the last hours herring are brought to the plant, these are processed almost at once and then the plant comes to a dead stop, virtually all of the men are laid off and the plant then lies there quite idle. On the opposite side of the Bay, Curling, in Petries, we have Corner Brook's great herring factory where kipper snacks and other forms of processed herring are put up. A magnificent article and many of us have eaten their products and they are sold on the Mainland of Canada, put there by the train and car load. Unfortunately they too are in exactly the same position. As soon as the herring fishing season comes to an end that plant has had to be closed down because of the one simple fact that there is no way in Bay of Islands

to hold the herring fresh after they come out of the water. They must be processed at once and the idea here is that a great cold storage plant which will hold hundreds of thousands of pounds of herring in the fresh frozen state that can be processed most of the year after the close of the fishing season. That will make for a continuous supply of the product. Now, in addition large quantities of herring will be held in this new cold storage plant for the supply of bait depots all down the West Coast of Newfoundland, in Bay St. Georges, Port au Port Bay, Bay of Islands and still further North along the St. Barbe Shore. For which reason I may say that the Department of Fisheries of the Government of Canada have undertaken to hire a generous portion of the plant for the storage of herring bait depots in and around the West Coast. Also the Department of Agriculture of the Government of Canada has undertaken under the Canadian Cold Storage Act to pay one third of the cost of this entire plant because it will be clear, Mr. Speaker, that the amount named here, \$495,000, practically half a million dollars, falls far short of the full cost of so large a cold storage plant.

Here then is an arrangement whereby the Department of Fisheries of Canada, the Department of Agriculture of Canada and the Government of Newfoundland join all three of us with a private company, a profit enterprise to produce a large modern cold storage. Now, I may say that one of the terms of the Canadian Cold Storage Act whereby one-third of the cost of the plant is met by the Department of Agriculture of Canada is that thirty percent of the storage capacity of the cold storage plant be reserved for the public so that firms, com-

panies and suppliers may have a storage space in this large plant for storing of vegetables, fruits, meats and other perishable food stuffs. But what the Bill is asking is that the Government be authorized to guarantee a bond issue for this Western Cold Storage Limited in the amount of four hundred and fifty thousand dollars. The Government are quite satisfied, and I give the House this assurance that there is no likelihood whatsoever of the Government being called on actually to pay any interest on that bond issue. The cold storage plant by its very nature will never be a profitable thing in the sense of paying big dividends but will nonetheless pay its way and eliminate thereby any need of the Government paying any of the interest or servicing the bond.

MR. HIGGINS: Do I understand the Federal Fisheries are paying some money?

MR. SMALLWOOD: The Federal Department of Fisheries are engaging forty percent of the storage capacity for the storage of fishery bait and fish for which they pay. The Department of Agriculture is paying one-third of the cost of the plant in return for which there must be provided, I think thirty percent of the space available, for the public, so that any member of the public may buy space in the remainder and the space will also be used to hold herring in the fresh frozen state so that they may be processed in the plants there, kippered snacks and that sort of thing, after the fishery has come to an end.

MR. HIGGINS: How much does the owner pay?

MR. SMALLWOOD: The owners and the Department of Agriculture of

Canada each pay thirty-three percent and we pay thirty-three percent.

Now, Gaultois Fisheries Limited are made up, I believe principally of two Newfoundland gentlemen, Mr. Spencer Lake and Mr. Thomas Garland of Gaultois. In Gaultois on the South West Coast they are erecting a large modern frozen fish plant, filleting and freezing plant to be serviced by draggers and also this, which is most important, we have insisted in our agreement with them that they take all the shore codfish for miles east and west of the plant, I forget how many miles. Perhaps the member for Fortune and Hermitage can tell us how many miles east and west of Gaultois which the plant will take, the shore caught codfish, I think it is ten or fifteen miles each way.

MR. COURAGE: It is about fifteen miles each way, a stretch of thirty miles of shore.

MR. SMALLWOOD: Thirty miles of coast and all the shore caught fish will be marketed in the fresh state in this new fish plant.

Now, what we do here is to guarantee their bonds in that amount. The other party to this, the other company in it is a Boston firm, a very large American fishing firm with great marketing experience and they have interested themselves in Gaultois Fisheries Limited which assures the company an outlet for their products.

Placentia Bay Fisheries Limited are a firm made up of the Placentia Traders, Alberto Wareham Limited, and Wareham Fisheries Limited. They are establishing this plant at Placentia. It is exactly the same type. That is to say a plant in which fish will be filleted, frozen, packaged and exported for sale. They too have an

American Firm associated with them. It is the Firm of Huston and O'Donnell. Huston and O'Donnell are on Boston Pier, and I am proud of the fact that I myself have been instrumental in persuading O'Donnell and Huston to come to Newfoundland. They too are a very large and reputable American fish firm with headquarters on the famous Boston Fishing Pier. So that with this firm taking shares to the extent I think, of a hundred thousand dollars in the Placentia Bay Fisheries Limited, this company too is assured of a good market connection in the United States of America. Now, one thing I like especially in connection with that plant to be built at Placentia is this, that they supply themselves with fish only in part by dragger and for the rest they will supply themselves with shore caught codfish from fishermen fishing all along the Cape Shore on the East Side of Placentia Bay and the East Side of the Bay North of Placentia, the Islands and part of the West Side of Placentia Bay. This will be an excellent market indeed for fish caught by the shore fishermen in a large section of Placentia Bay.

United Engineers are the firm in the Bill of last night and this is merely the implementation of that. The money here is not given in cash, all four are in the same class, it is a case of guaranteeing the various cash bonds or else loans from one of the chartered banks. In the case of United Engineers their loan is from a chartered bank and is for only a year and is guaranteed, if this Bill passes, by the Government in that amount.

Bill read a second time. Ordered to a Committee of the Whole now.

Sections 1 and 2 read and passed.

The Committee rose and reported having passed the Bill without amendments. Ordered read a third time forthwith. Read a third time. Ordered passed and title be as on the Order Paper.

MR. CURTIS: The Orders of the Day are now completed but there is a small Bill which I beg leave to introduce and to have put through all its stages, the Bill of which I gave notice a few minutes ago. I remember the honourable member for Ferryland often told us how in the old days the party was always asked at the last moment to bring in a little Bill which gave them control over all the power of the Avalon. But this little Bill I ask to introduce, the little Bill referred to by the Premier earlier this afternoon.

It will be remembered at the last session of the House there was a Bill authorizing town councils to issue bonds. It was impossible to sell these bonds immediately and temporarily and purely as a temporary measure the Government authorized the Minister of Supply, pending the sale of the bonds, to borrow from the Bank a portion of the amounts represented in these bonds, and accordingly I ask the House now if they would give me permission to introduce, read a first time and put through all stages a Bill authorizing the Government to authorize the Minister of Supply to issue a guarantee with respect to these bonds so that the money will be immediately available. I doubt, Mr. Speaker, if this legislation is exactly necessary because the bonds have in a large measure been sold and I think it is only a matter of a day or so before money is forthcoming to pay off the bank. But in as much as the

Government authorized the Minister to make the guarantee it is safer to amend the Act so—

MR. CASHIN: This is a general Act.

MR. CURTIS: No, this is limited to certain schedules.

Mr. Speaker, I ask leave to introduce this Bill.

Read a first time, ordered read a second time, read a second time, ordered referred to a Committee of the Whole House.

Sections 1 to 4 read and passed.

The Committee rose and reported having passed the Bill without amendments.

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

MR. SPEAKER: Is there any more business to come before the House?

MR. SMALLWOOD: No, Mr. Speaker. May I say, Mr. Speaker, that completes the business of this session and before Your Honour speaks, I wonder if the House would bear with me for a few moments while I say this. Tomorrow when His Honour the Lieutenant Governor prorogues this General Assembly, we who are here will appear as a group for the last time. When we walk out of here tomorrow we are going out for the last time as members of this General Assembly. Some of us, we hope, will be back again in the next General Assembly and some we know will not be back.

The member for Bonavista South has announced publicly that it is not his intention to offer himself as a candidate in this forthcoming election

which means he definitely will not be here. We have had our difficulties but I am quite sure that we bear him no ill will and quite sure that he bears us none. I think we can all agree that on both sides of the House we found him a likeable and decent fellow and in a way we will be sorry that he won't be back in the next session of the House. Certainly I can say quite definitely there is no bad feeling towards him.

I am deeply sorry that the two members who are presently on this side of the House will not be back for the reason that they are not contending the election. The honourable member for Port de Grave has sat here close beside me in these four sessions of the House. He is a gentleman who has the liking as well as the respect of the whole House. I am quite sure both sides will agree that he will be a loss to public life in Newfoundland, a definite loss. He has brought here a high sense of honour and fair play, a keen sense of fair play. He has no hatred whatsoever within him that I ever have been able to detect even for a moment. Some of us feel hatred for a while and it gradually wears away but I think the honourable gentleman in question never felt it even for a moment. He has a great sense of fair play and of justice and we will all be exceedingly sorry that he won't be back with us.

The honourable member for Labrador is a very young man still, only twenty-seven or twenty-eight years of age. He has served in this House as a member for Labrador and served here brilliantly. I know him intimately. We fought close together, side by side, in the Confederation campaign. I feel very badly, very

badly indeed to see him leave us. It is like the loss of a member of one's own family. His interests are literary and not political and he has decided not to contest this coming election.

During the time he has been here he has delivered several speeches that reached great heights of oratory and he has no need to be ashamed of his record in this House. True, he did what we all do sometimes, once or twice he let his feelings sway him and really spoke in the old-fashioned language of calling a spade a spade and that was played up a little in the press and some timid souls had visions of the revolution right around the corner. They could see people, especially merchants, being strung up on all the lightpoles along Water Street. But the honourable member for Labrador is as soft hearted a pirate as ever split a throat. In truth I don't think, actually, he could hurt a fly. I don't think he is really tough enough to like the political game, he would rather be writing poetry, painting pictures, composing music, all three of which he does exceptionally well. I will lose a personal friend in each of these gentlemen and the House will lose two men whom it has very good reason to regard with admiration and respect.

Well, this is not a sermon. In a day or so we will be out and at each other's throat, scrapping, fighting, squabbling and jeering at each other and trying to prove to the country each of us that he is the best man to represent the people of Newfoundland. Well, the people in their wisdom, their fathomless wisdom, their instinctive wisdom, will decide for themselves after all the oratory and campaigning have died away, the people who probably won't have been

influenced one way or another by a word will just calmly mark that ballot and somebody will be elected and somebody defeated.

I am sure the whole House unites in wishing the honourable member for Harbour Main-Bell Island—I don't remember if he is the junior or senior member but the House knows to whom I refer—will unite in hope that his health will not deteriorate and that if it is God's will we will see him again and if it is not we will remember him with kindness and say that so fine a fellow sat here. Sometimes he infuriated me. There were times when I could have killed him as I no doubt infuriated him so that he could have killed me but there was never a thought of hard feeling, never a hard thought towards each other. We certainly hope that it is possible that he will recover.

If I have said anything out of the way in these four sessions I ask everyone whose feelings were hurt to forgive me, as I forgive those who hurt mine. But I being a lot tougher did not have mine hurt as often but probably, with a tongue a bit waspish, I may sometimes have hurt someone. If I have I ask sincerely to be forgiven. That is not saying when we come back, those of us who do, we won't still fight and snarl for the cause we believe in and the cause we oppose. Thank you.

MR. SPEAKER: Mr. Premier, honourable Leader of the Opposition, honourable members. They say that the swan sings only once and that is before its death. I have not the slightest intention of dying but this is for all intents and purposes the last time when I shall look down on you, as your Speaker, I do want to say that all of you on both sides of the House,



how shall I say it, softened the upholstery of the Chair. Because, believe me this Chair has been no more comfortable to me than has been the Chair in my dentist's parlour on the few occasions when I have been so unfortunate as to have to sit in it. I do want to express sincere thanks to you for having made, I think you will agree, a difficult task not at all difficult. You have made it surprisingly easy. In July, I believe it was, 1949 I was thrown by force into this Chair by the Premier and the Leader of the Opposition. It is no doubt true that I did not put up any stiff resistance to their efforts, but I have found out since I have been sitting here and meeting parliamentarians in other parts of the world, that it is generally recognized that to become the Speaker is to commit political suicide.

You could have made it more difficult for me. There were times when it was difficult but I have the satisfaction of knowing that what you said or what you did if it were out of order was said and done in the heat of debate because both sides of the House have in their numbers men of strong feeling. To the honourable and gallant member for Ferryland whose chair, I regret to say, is empty, that stormy petrel of politics, I would call him that chronic independent, there has been many times when, as he said himself on one occasion, "I believe Mr. Speaker wants to throw the book at me." Well, I would assure him there were times when I wanted literally to throw "May" or "Beauchamp" at him but I can assure him this: that if I had done so I would have made the Premier the recipient of the other volume. But I will say that both gentlemen respected the authority and rulings of the Chamber.

When I came into this House I knew hardly any members of it intimately. In fact I did not know the Premier. I had talked with him only for one hour. The honourable Leader of the Opposition, I may say we have been close friends for a number of years. I want to tell him, and I am sure the other side will agree with me, neither he nor his lieutenant here beside him this afternoon knew the magnitude of the task confronting them in 1949. An Opposition, few in number but from where I sit great, I believe, in debate. Your task has been difficult and I thank you sincerely for the way in which you have conducted yourselves and thought of me, if I may say so, at the time when you were engaged in the heat of controversy with the other side of the House.

My swan song is done. Whether I shall ever enter this House again even as a member I don't know. If I do whether I shall sit in this Chair again, I don't know that either. But I can wish no better thing to my successor than that the next General Assembly has a group of people on either hand patterned after those honourable members whom I see here for the last time this afternoon.

**MR. HIGGINS:** Mr. Speaker, I suppose as the Prime Minister spoke and Mr. Speaker, I hope you don't mind if I just say a few words.

There is one thing, members may come and members may go, but parliament goes on for ever. One thing that probably may give a tinge of sadness to our life is the fact that we are reminded that for every idle word a man shall speak he shall render an accounting, and when Hansard is published and we read the speeches

given we will wonder did we speak such things or is that wisdom.

One thing I would like to say that you brought up, Mr. Speaker, that is when the Prime Minister and I grabbed you and thrust you into the Chair, I would say that on a willing subject there can be no assault and you cannot plead, Sir, in any court that there was assault. Now, there will be a new election and terrible tactics may be used in the fight. You know politicians are peculiar fish, I don't know if it is a trade or a profession. Each man has to tell the electors he is the best man to vote for, there is no other man in the same class. It is a terrible thing to do. If I went down to Duckworth Street and told everyone I am the best lawyer in Newfoundland, what would they think of me? So that a politician is in a class to himself. Perhaps I too should say forgive us our trespasses as we forgive those who trespass against us. We have had a hard time but I don't think any bitter enmity. As I look around I have become so familiar with the faces on the opposite side I think I will wake up from a dream often and think I am opposite the young ones and the old ones, and the very old one. Sometimes we have to give that application to somebody and say very old and some day perhaps if I keep on, I will come in and they will call me very old and venerable.

Now, there is one thing, Mr. Speaker, I must thank you very much for your kindness and courtesy and compliment you on your great ability. I don't know how the House would have managed without you, Sir. You brought order out of chaos. We are schoolboys here, only children with all due respect to the honourable member for Ferryland who should have been here when you were threatening

war against him. He will hear the words probably in the newspaper. I think somebody called him the old war horse.

I am sure, Sir, in the short time you have been Speaker, undoubtedly you must have studied the subject very, very well. I would like to say when you referred to the friendship between us, there may be an empty Chair here at times but any-time you come to my house, to my home, there will be neither an empty chair nor an empty glass.

MR. CASHIN: I must apologize for being absent when all this jollification was going on. But I did hear, Mr. Speaker, that you stated there were times when you would have liked to throw one book at me and the other at the Premier. Well it would not have hurt—there were times when both the Premier and myself deserved a book to be thrown at us.

MR. SPEAKER: I would have thrown the book opened.

MR. CASHIN: Then probably we would have to have a division in here, Mr. Speaker. However this assembly is about to clue up and during the two and a half years I have been in here as an independent member I will say this, that I hold no animosity, political or otherwise against any member in this House today. I want to compliment you, Mr. Speaker, on the able way in which you carried out your high office. The first commoner of the land, you carried out that office most efficiently. In fact on several occasions you gave me preference over the honourable the Premier in one or two altercations on the floor of the House and at other times you could not get in between us. However we are about

to dissolve the House, probably to meet again in a couple of months or six weeks maybe. We don't know. That is up to the people to decide whom they want to send in here to represent them. As far as I am personally concerned again I say I have no kick coming against the treatment accorded me by both the Government members and yourself and also the Opposition members. I imagine I am the senior member of the House outside of the honourable Mr. Quinton who is now very sick and I must take this opportunity of expressing our regrets and hoping for a speedy recovery to that gentleman. Besides him, I think I was the only member in the House who had been in it before. I may not be the oldest in years—that tribute has to go to my friend the honourable Minister of Provincial Affairs. I follow him, if not a close second, a fairly close second.

MR. HIGGINS: Don't boast.

MR. CASHIN: You are not far behind me either. That is one thing, myself and the honourable Leader of the Opposition are within a few years of each other's age, we went to school together over fifty years ago. I can judge how old you are. You are not much behind me I can add, Mr. Speaker. But I want to express my thanks and appreciation of the courtesy tendered me in my job as the independent, gallant as some people call me, member for Ferryland and I hope and trust, to use a phrase very much used during the course of the National Convention by one now a Federal member of Parliament, that when Parliament meets again that the same good friendship, sportsmanship, if you like, will exist in the House as has existed during the past two and a half years.

HON. DR. H. L. POTTLE (Minister of Public Welfare): Mr. Speaker, during this happy season of compliments and congratulations and best wishes I should like to say a brief word in the spirit of the hour in appreciation to those members of the staff of the House who in this Chamber and in the rooms adjoining where they do their work have helped to carry forward the business of this House, so smoothly and so efficiently done during this session which though brief was nevertheless a consistently strenuous one. I should like on behalf of the House to speak a warm word of gratitude to these people who though not always present have helped to make the business of the House run smoothly. One could refer in particular to each one in turn but I do not wish to do that and I hope they will accept this general statement as applicable to all though I am very much tempted to pay particular stress on the work of the people at the Table who carried through the business of Legislation, proof reading, seeing the work was done properly and the Bills properly prepared and carried through which was no little achievement and we appreciate their efforts. I would like to say a word also regarding the Sergeant-at-Arms who was really an example, Sir, everyone must have been impressed by the correctness with which he carried through his office, the clicking of heels which has always been a bit of a mystery or certainly fascinating for us here and how he has enjoyed his work is really a source of satisfaction to us all. I for one hope and I am sure I express your hope that he will not be separated from his Mace for a long, long time. May I say just one other word, Sir, and if it is not out of order may I refer to a previous debate wherein the honourable Lead-

er of the Opposition in one of his more lyrical moments referred to "that little angel up yonder" and I knew at the moment it must be our stenotypist and I looked up and she was carrying on her work so absorbed in listening to the words of lasting wisdom from the mouth of the Opposition Leader yonder.

Now, Sir, more seriously I appreciate the work these good people have done and I wish them well whatever they do in the future.

MR. SMALLWOOD: I move the House at its rising do adjourn until tomorrow, Saturday at three of the clock, at which time I understand from Your Honour that the Lieutenant Government will come to dissolve, to prorogue this House.

House adjourned until tomorrow, Saturday, at 3:00 of the clock.

—  
SATURDAY, November 3, 1951.

The House opened at three of the clock.

The Sergeant-at-Arms announced that His Honour the Lieutenant Governor had arrived.

His Honour the Lieutenant Governor took the Chair.

MR. SPEAKER: May it please Your Honour, the General Assembly of this Province has at this present session passed certain Bills to which, in the name and on behalf of the General Assembly, I respectfully request Your Honour's assent.

"An Act to Amend the Industries Act, 1951."

"An Act to Approve and Give Statutory Effect to an Agreement Be-

tween the Government and Newfoundland Asbestos Limited."

"An Act to Approve and Give Statutory Effect to an Agreement Between the Government and Canadian Machinery & Industry Construction Limited."

"An Act Further to Amend the Alcoholic Liquors Act, 1949."

"An Act to Amend the Public Records Act, 1951."

"An Act Further to Amend the Election Act, 1913."

"An Act to Amend the Automobile Insurance Act, 1951."

"An Act Respecting Old Age Assistance."

"An Act Respecting Allowance for Blind Persons."

"An Act to Approve and Give Statutory Effect to an Agreement Between the Government and Newfoundland Tanneries—William Dorn Limited."

"An Act to Approve and Give Statutory Effect to an Agreement Between the Government and United Cotton Mills Limited."

"An Act to Amend the Loan and Guarantee Act, 1951."

"An Act to Amend the Town Council Bond Guarantee Act, 1951."

HIS HONOUR THE LIEUTENANT GOVERNOR: In His Majesty's name I assent to those Bills.

MR. SPEAKER: May it please Your Honour, it becomes now my agreeable duty on behalf of the faithful and loyal subjects to present to Your Honour a Bill for appropriation of Supply in the present session.

Whereupon the Clerk read the following Bill entitled :

"An Act for Granting to His Majesty Certain Sums of Money for Defraying Certain Expenses of the Public Service for the Financial Year Ending the Thirty-First Day of March One Thousand Nine Hundred and Fifty-Two and For Other Purposes Relating to the Public Service."

HIS HONOUR THE LIEUTENANT GOVERNOR : In His Majesty's name I thank His loyal subjects, I accept their benevolence and assent to this Bill.

His Honour was then pleased to make the following Speech :

MR. SPEAKER AND MEMBERS OF THE HONOURABLE HOUSE OF ASSEMBLY,

I thank you for the industrious and faithful manner in which you have performed your duties.

Although your session has been short you have given your careful attention to numerous important legislation.

My Prime Minister has advised me to dissolve this Twenty-Ninth General Assembly and to cause Proclamation

to be issued for the holding of a General Election. I have accepted the advice tendered to me, and my Proclamation will issue in a matter of hours from now.

Although this Twenty-Ninth General Assembly has been of shorter than the usual duration, it can be said that during your four sessions you have presented for the Royal Assent more Bills of Legislation than were ever before passed by any General Assembly in Newfoundland. Throughout those four sessions you have performed your public duties with diligence and with the desire that the many measures enacted should promote the progress and prosperity of our Province.

I now release you from your duties as members of the House of Assembly and wish you God-speed in your several occupations.

His Honour the Lieutenant Governor then left the Chamber.

MR. SPEAKER : I have to inform the House that at 3:00 o'clock this afternoon the honourable the Lieutenant Governor when he was pleased to deliver a speech, prorogued and dissolved this 4th session of the 29th General Assembly.

Journal and Proceedings  
of the Fourth Session  
Twenty - Ninth General Assembly  
of Newfoundland

Begun and holden at St. John's in the Province of Newfoundland on Wednesday, the 24th Day of October, Anno Domino, Nineteen Hundred and Fifty-one, being in the Fifteenth year of the Reign of His Majesty our Sovereign Lord George, by the Grace of God of Great Britain, Ireland and the British Dominions beyond the Seas, King, Defender of the Faith.

**P R O C L A M A T I O N**

BY HIS HONOUR Sir Leonard Cecil Outerbridge,  
Knight Bachelor, Commander of the Most  
Excellent Order of the British Empire, Com-  
panion of the Distinguished Service Order,  
Colonel in the Army, Lieutenant Governor of  
Newfoundland.

WHEREAS, the General Assembly stands prorogued until Wednesday, the Seventeenth day of October, instant.

AND WHEREAS, I think fit to summon the said General Assembly to meet on Wednesday, the Twenty-fourth day of October, instant.

I do, therefore, by this my Proclamation, summon the said General Assembly to meet, for the despatch of business, on Wednesday, the Twenty-fourth day of October, instant, as aforesaid, of which all persons concerned are hereby required to take due notice and govern themselves accordingly.

Given under my Hand and Seal at Government, House,  
St. John's, this 13th, day of October, A.D., 1951.  
By His Honour's Command,

**JAMES J. SPRATT,**  
Minister of Provincial Affairs.

WEDNESDAY, October 24, 1951

His Honour having fixed the hour at which he proposed to open the present Session of the Legislature at three of the clock in the afternoon of this Wednesday, the Twenty-fourth day of October instant, the Members of the House of Assembly met in the Assembly Room at three of the clock in the afternoon, when Mr. Speaker took the Chair.

At three of the clock the Sergeant-at-Arms announced that His Honour the Lieutenant Governor and party had arrived.

His Honour the Lieutenant Governor and party entered the Assembly Chamber preceded by the Sergeant-at-Arms.

Mr. Speaker left the Chair.

His Honour the Lieutenant Governor took the Chair.

His Honour was then pleased to open the Session with a Speech from the Throne as follows:

Mr. Speaker and Members of the Honourable House of Assembly

The people of Newfoundland in common with all people of the Commonwealth have followed with their prayers the recent serious illness of His Majesty the King. We rejoice with them in his continued progress towards recovery and trust that before long His Majesty may be entirely restored to good health. With all other Canadians we have also shared in the keen interest displayed in the tour of Their Royal Highnesses The Princess Elizabeth and the Duke of Edinburgh across Canada. The warm reception they have received everywhere is further evidence of the close ties which bind this Dominion with the Throne.

This Province is looking forward with eager anticipation to the arrival here of our gracious Princess and her gallant husband. The programme of Their Royal Highnesses' visit here has been arranged to give as many of our people as possible opportunities to share in and accord our royal visitors a worthy welcome.

At the completion of the ten years since the American forces have been stationed in Newfoundland, I avail myself of the opportunity to express the appreciation of the Government and people of this Province for the cordial relations which have consistently prevailed between us. The distinguishing feature of this relationship has been a mutual spirit of friendship, co-operation, consideration and respect. The Service's and civilian personnel of the United States who have been posted in this Province have proved to be both good neighbours and employers. It is with pride and pleasure I say this at the completion of the decade of their sojourn among us.

I am sure that all Newfoundlanders rejoice in the flourishing state of the Province in 1951. It is the simple truth to say that in her long history Newfoundland has never known such a high degree of prosperity as there is in this present year. Never before did the majority of our people enjoy such a high standard of living as they do today. It will be the hope of all that this prosperity will continue and even increase to embrace all the citizens of the Province.

My Ministers have continued to devote the greater part of their energies to the task of economic development of the Province and very encouraging success has attended their efforts. The new cement mill at Humbermouth has been completed, and the cement is

now being manufactured in it. The outlook for this great industrial enterprise is exceedingly bright, and it is anticipated that there will be no difficulty in selling the entire production of cement at profitable prices. It is reliably estimated that for each of the next years there will be used in Newfoundland more than eight times as much cement as the new mill can produce, and should the deepening of the St. Lawrence Seaway be commenced in the near future a great additional market for Newfoundland cement will undoubtedly be open. The Humbermouth mill will produce Portland cement of the highest quality, and it will not be surprising if the mill's productive capacity has to be doubled or trebled within the next year or two. North Star Cement Company Limited which has been incorporated to manage the production and sale of the cement for the first few months, has already been offered a market within Newfoundland, of approximately 5,000,000 bags a year at profitable prices, as against the mill's present installed capacity of approximately 600,000 bags. One consumer in Newfoundland offers to accept a daily amount of cement that would require a ten-car train to move. The people of the Province will, I feel sure, be very gratified to know that the future is so bright for this first of the new industries.

Very much the same situation is true of the new Gypsum Plaster, Plasterboard and Plaster Lath Mill. The mill, which is now rapidly nearing completion, will commence production a few weeks hence. It is one of the most modern and efficient factories of its kind in the world, and for its output there is a very brisk demand at profitable prices, both within and without Newfoundland.

The third of the new industries to be launched is the birch veneer and plywood mill. This mill will produce also hardwood flooring and hardwood doors. It has commenced production, and all who have inspected the enterprise cannot fail to have been impressed by the very modern and efficient plant that has been established. The market demands for the products of this mill are quite incapable of being satisfied, and my Ministers have now under consideration a proposition from a very substantial European owner of several such mills for the establishment of a second veneer and plywood mill in Newfoundland. Investigations have revealed that this Province contains very large stands of healthy birch, both white and yellow, to provide the raw materials for two modern plants. One of the most satisfactory features of the birch veneer and plywood industry is that a large amount of employment is created by it in many parts of the Province.

Construction of the new tannery is proceeding rapidly at Carbonear, and a start has been made at the construction of the large new machinery factory at Donovan's. This latter seems likely to become the largest single labour-giving enterprises in Newfoundland, apart from the fisheries. It is expected within the next two years or so, to employ 5,000 men in full-time work, or more than the number now fully employed in the Corner Brook and Grand Falls paper mills, and the mines of Bell Island, Buchans and St. Lawrence all counted together.

The first of the machinery for the new cotton textile mill is scheduled to leave Europe for Newfoundland on the fifth of November next. Construction of the buildings is expected to commence before that date.



The new leather-goods factory is expected to commence early in November, and indeed before the close of the present calendar year a number of other new industries are due to commence actual construction. My Ministers expect that by the Spring of 1952 more than twenty new industries will have commenced production or else be in course of construction.

My Prime Minister, accompanied by my Attorney General, returned recently from a six weeks' tour of Europe, during which they visited the United Kingdom, Switzerland, Holland, Germany, Denmark, and Sweden. This tour was undertaken for the sole purpose of inviting certain industrialists of those countries to establish new industrial enterprises in Newfoundland. You will be pleased to learn that they were very successful in their purpose. Some fifteen additional new industries were secured in England, Belgium, Germany, Sweden. Directors and other representatives of these fifteen firms have either visited Newfoundland since my Ministers return from Europe, are here now, or are expected to arrive within the next week or two.

I am sure that you, in common with all the people of Newfoundland, will be gratified to learn that three different financial groups are at present in touch with my Government with regard to the establishment of pulp mills in this Province. My Ministers have adopted the firm policy of refusing to issue permits for the export of round or raw wood from the Province, except where a very substantial amount of payment is received into the Treasury for each cord so exported. Their policy is to encourage the establishment of pulp mills, or pulp and paper mills which will manufacture the wood into finished, or at

least semi-finished, products within the Province. Then the demand for pulpwood has grown at very great proportions on the continent of Europe and important financial and industrial interests are turning their attention increasingly to the timber resources of Labrador. The three interests who have already approached my Government with propositions for the establishment of pulp-mills have also suggested that in the meanwhile, during the period of construction they be permitted to export certain maximum quantities of pulp-wood in the round or raw state. The policy of the Government is to refuse to grant such permits except under two conditions; first, that the parties concerned give written guarantees, with penalty clauses and time limits, to establish pulp-mills, in which case a reasonable charge would be made for the wood so exported; or, second, that if no pulp-mill is guaranteed to be built, a much higher rate be charged for round wood exported.

At your last Session you presented for my assent a Bill empowering the Labrador Timber Utilization Company to cut some 200,000 cords of pulpwood annually in the Lake Melville area of Labrador, at a charge for the timber running at present around five dollars a cord, but not in any case to fall below half that amount at any time. The promoter of this company as it appears to my Ministers, has since then made every sincere effort to carry out the obligations imposed by the Act upon him. He applied to his Government for the official release of close to three million dollars to place on deposit in his company's bank in St. John's to finance the Labrador timber operations. Expecting fully that his Government would agree to the necessary release, he loaded some hun-

dreds of tons of logging and similar equipment aboard a steamship routed to Newfoundland. Before the steamship had sailed, however, his Government had stipulated that before the dollar capital, could be released there would have to be an examination of the practical prospects of the operation in Labrador. He was therefore obliged to unload the equipment though some material lies now in St. John's. In the meanwhile a commission visited the Lake Melville area to make the examination on the spot and to the deep regret of all concerned the result of the examination was a report stating that the whole project was unsound and impracticable. The report stated that it was physically impossible to carry on logging in Labrador for more than three months a year and that it was impossible to ship timber for more than three months a year. No permit was issued for the release of the dollar capital needed, and the promoter was obliged to postpone his operations. He appears, however, to determine to persevere in the matter and a second commission is due to arrive in the Lake Melville area within the next week to make a more thorough and careful investigation of the project. In the meantime, the Newfoundland Treasury has been put to no expense whatsoever in the matter. If the promoter finds in the end that he cannot perform what he has undertaken in his contract with my Government, then his rights will come to an end. If, however, he finds that he is in a position to carry on his undertakings then considerable amounts of revenue will flow into the Treasury and a result reached which will be satisfactory to all concerned.

More than ever my Ministers are convinced that economic development is their first duty and first responsi-

bility. They have abiding faith in the industrial future of this Province, and abiding faith that Newfoundland has now entered upon an era of great development that will make this Province, in the next few years, one of the most prosperous parts of North America. New confidence has arisen in the minds of our people, and the feeling is spreading rapidly that Newfoundland at last is coming into her own. Newfoundland with Labrador, contains one of the last great storehouses of natural wealth to be developed in North America; my Ministers have succeeded in arousing very considerable interest amongst industrialists and financiers of Europe, and the United Kingdom, Canada and the United States. The past two years have been a period of exploration and preparation. The next two or three will be a period of speedy development. Never in all our Newfoundland history was the opportunity so great to bring about a large scale economic development, and my Ministers are convinced that their energies must be devoted almost wholly, in the next two or three years, to that purpose.

You will be gratified to know that revenue continues to be very buoyant. If the present rate of revenue and expenditure is maintained for the remainder of the financial year it is anticipated that there will be a surplus of not less than one million dollars on current account. This is all the more impressive in view of the fact that teachers' salaries and civil servants' cost of living bonus have been increased, since the Estimates were adopted in your last Session, by an amount of one million dollars a year.

My Ministers will submit to you a Bill enabling my Government to enter into an agreement with the Government of Canada for the inauguration of a plan of old age pensions,

on the basis of the means test, to needy persons between the ages of sixty-five and sixty-nine.

In view of pending legislation by the Government of Canada you will be asked to approve legislation effecting a similar agreement to ensure continuance of existing pensions for blind persons twenty-one years of age and over.

May Divine Providence guide you in your deliberations.

His Honour was then pleased to retire.

Mr. Speaker resumed the Chair.

Hon. the Attorney General asked leave to introduce a Bill entitled "An Act to amend the Industries Act, 1951."

On motion of Hon. the Attorney General the said Bill was introduced and read a first time and it was ordered that the said Bill be read a second time on tomorrow.

Mr. Speaker, then stated that for greater accuracy, he had obtained a copy of the Speech made by His Honour the Lieutenant Governor, which the Clerk then read at the table.

It was moved by Mr. Courage and seconded by Mr. Drover that an Address of Thanks be presented to His Honour the Lieutenant Governor in reply to the gracious Speech with which His Honour had been pleased to open the present Session of the Legislature and that a Select Committee be appointed to draft such an Address in Reply.

It was ordered accordingly and the following gentlemen were appointed to the said Committee:

Mr. Courage,

Mr. Drover,

Mr. Higgins.

Hon. the Premier gave notice that he would on tomorrow ask leave to introduce the following Bills:

A Bill "An Act to Approve and Give Statutory Effect to an Agreement Between the Government and Canadian Machinery and Industry Construction Limited."

A Bill "An Act to Approve and Give Statutory Effect to an Agreement between the Government and Newfoundland Asbestos Limited."

A Bill "An Act to Approve and Give Statutory Effect to an Agreement between the Government and Newfoundland Tanneries—William Dorn Limited."

Mr. Cashin gave notice of Questions.

Mr. Higgins gave notice of Questions.

It was moved and seconded that when the House rises, it adjourn until Thursday, October 25th, at three of the clock.

The House then adjourned accordingly.

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THURSDAY, October 25, 1951.

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

Mr. Courage, on behalf of the Select Committee appointed to draft a reply to His Honour's Speech, presented the report of the Select Committee as follows:

To His Honour the Lieutenant Governor, Sir Leonard Cecil Outerbridge, Knight Bachelor, C.B.E., D.S.O.

May it please Your Honour :

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

(Sgd.) JOHN R. COURAGE.  
JOHN G. HIGGINS.  
SAMUEL DROVER.

Assembly Room,  
October 25th, A.D., 1951.

On motion of Mr. Russell the debate on the Address in Reply was deferred until tomorrow.

Pursuant to notice and on motion of Honourable the Premier, the Bill entitled 'An Act to Approve and Give Statutory Effect to an Agreement between the Government and Canadian Machinery and Industry Construction Limited,' was introduced and read a first time and it was ordered that the said Bill be read a second time on tomorrow.

Pursuant to notice and on motion of Honourable the Premier, the Bill entitled "An Act to Approve and Give Statutory Effect to an Agreement between the Government and Newfoundland Asbestos Limited," was introduced and read a first time and it was ordered that the said Bill be read a second time on tomorrow.

Pursuant to notice and on motion of Honourable the Premier, the Bill entitled "An Act to Approve and Give Statutory Effect to an Agreement between the Government and Newfoundland Tanneries—William Dorn Limit-

ed," was introduced and read a first time and it was ordered that the said Bill be read a second time on tomorrow.

Mr. Higgins gave notice of Questions.

Honourable the Premier gave notice that he would on tomorrow ask leave to introduce a Bill entitled "An Act to Approve and Give Statutory Effect to an Agreement between the Government and United Cotton Mills Limited."

Pursuant to order and on motion of Honourable the Attorney General, the Bill entitled "An Act to Amend the Industries Act, 1951," was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House presently.

Pursuant to order and on motion of Honourable the Attorney General, and with unanimous consent, the House resolved itself into a Committee of the Whole to consider the said Bill.

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had made some progress, and asked leave to sit again on tomorrow.

On motion this report was received and adopted and it was ordered that the Committee have leave to sit again on tomorrow.

It was moved and seconded that when the House rises, it adjourn until tomorrow afternoon, Friday, at three of the clock.

The House then adjourned accordingly.

FRIDAY, October 26th, 1951.

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

Honourable the Premier tabled a letter from Mr. Elja Lurje, re an article published in the Jewish Newspaper "The Day."

Honourable the Attorney General, have notice that he would on tomorrow ask leave to introduce a Bill entitled "An Act to Amend the Automobile Insurance Act, 1951."

Honourable the Attorney General, gave notice that he would on tomorrow ask leave to introduce a Bill entitled "An Act Further to Amend the Alcoholic Liquors Act, 1949."

Pursuant to notice and on motion of Hon. the Premier, the Bill entitled "An Act to Approve and Give Statutory Effect to an Agreement between the Government and United Cotton Mills, Limited," was introduced and read a first time and it was ordered that the said Bill be read a second time on tomorrow.

Mr. Cashin gave notice of Questions.

Mr. Higgins gave notice of Questions.

Mr. Fogwill gave notice of Questions.

The Address in Reply was debated and on motion was adjourned for further debate on tomorrow.

The second reading of the Bill entitled "An Act to Approve and Give Statutory Effect to an Agreement between the Government and Canadian Machinery and Industry Construction Limited," was debated and on motion was deferred for further debate on tomorrow.

On motion the remaining Orders of the Day were deferred.

It was moved and seconded that when the House rises, it adjourn until Monday afternoon, October 29th, at three of the clock.

The House then adjourned accordingly.

MONDAY, October 29th, 1951.

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

Honourable the Premier tabled Accounts of the St. John's Municipal Council for the year ended the 31st, December, 1950, together with the Report of the Auditor General thereon."

Honourable the Premier tabled a copy of the Jewish Newspaper "The Day," together with an English translation.

Mr. Cashin gave notice of Questions.

Honourable the Minister of Public Welfare gave notice that he would on tomorrow ask leave to introduce a Bill entitled "An Act Respecting Old Age Assistance."

Honourable the Minister of Public Welfare gave notice that he would on tomorrow ask leave to introduce a Bill entitled "An Act Respecting Allowances for Blind Persons."

Pursuant to notice and on motion of Honourable the Attorney General, the Bill entitled "An Act to Amend the Automobile Insurance Act, 1951," was introduced and read a first time and it was ordered that the said Bill be read a second time on tomorrow.

Pursuant to notice and on motion of Hon. the Attorney General the Bill entitled "An Act Further to Amend the Alcoholic Liquors Act, 1949" was introduced and read a first time and it was ordered that the said Bill be read a second time on tomorrow.

The debate on the Address in Reply was continued and on motion was adjourned for further debate on tomorrow.

Pursuant to order and on motion of Hon. the Attorney General, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act to Amend the Industries Act, 1951."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, and passed the said Bill without amendment.

On motion this report was received and adopted and it was ordered that the said Bill be read a third time on tomorrow.

The debate on the second reading of the Bill entitled "An Act to Approve and Give Statutory Effect to an Agreement between the Government and Canadian Machinery and Industry Construction Limited," was continued.

It was moved in Amendment by Mr. Russell and seconded by Mr. Higgins that the said debate be adjourned until such time as expert, impartial advice be made available to the House sufficient to give members an opportunity to make a reasoned decision.

Whereupon the House divided and there appeared in favour of the

Amendment: Mr. Higgins, Mr. Fogwill, Mr. Jackman, Mr. Cashin, Mr. Russell, (5); and against it Hon. the Premier, Hon. the Attorney General, Hon. the Minister of Public Welfare, Hon. the Minister of Health, Hon. the Minister of Fisheries and Co-operatives, Hon. the Minister of Supply, Hon. the Minister of Provincial Affairs, Hon. the Minister of Education, Hon. the Minister of Labour, Hon. Mr. Vardy, Mr. Morgan, Mr. Courage, Mr. Button, Mr. Janes, Mr. Horwood, Mr. Drover (16) so the amendment was lost.

Whereupon, on motion of Hon. the Premier, the Bill entitled "An Act to Approve and give Statutory Effect to an Agreement between the Government and Canadian Machinery and Industry Construction Limited," was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House on tomorrow.

On motion the remaining Orders of the Day were deferred.

It was moved and seconded that when the House rises, it adjourn until tomorrow afternoon, Tuesday, at three of the clock.

The House then adjourned accordingly.

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TUESDAY, October 30, 1951.

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

Hon. the Premier tabled Regulations made under the Social Security Assessment Act, 1949."

Mr. Higgins gave notice of Questions.

Hon. the Premier gave notice that he would on tomorrow ask leave to introduce a Bill entitled "An Act to make Provision for the Granting of Loans to Certain Companies."

Hon. the Premier gave notice that he would on tomorrow ask leave to introduce a Bill entitled "An Act to Amend the Public Records Act, 1951."

Hon. the Premier gave notice that he would on tomorrow move the House into Committee of the Whole to consider Certain Resolutions in Relation to the Grant of Supplementary Supply to His Majesty.

Pursuant to notice and on motion of Hon. the Minister of Public Welfare, the Bill entitled "An Act Respecting Old Age Assistance was introduced and read a first time and it was ordered that the said Bill be read a second time on tomorrow.

Pursuant to notice and on motion of Hon. the Minister of Public Welfare, the Bill entitled "An Act Respecting Allowances for Blind Persons," was introduced and read a first time and it was ordered that the said Bill be read a second time on tomorrow.

The debate on the Address in Reply was continued and on motion was adjourned for further debate at a later hour in the day.

Pursuant to order and on motion of Hon. the Premier, the Bill entitled "An Act to Approve and Give Statutory Effect to an Agreement between the Government and Newfoundland Asbestos Limited," was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House on tomorrow.

Pursuant to order and on motion of Hon. the Attorney General, the

House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act to Approve and Give Statutory Effect to an Agreement between the Government and Canadian Machinery and Industry Construction Limited."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, and had passed the said Bill with some amendment.

On motion this report was received and adopted and it was ordered that the said Bill be read a third time on tomorrow.

The debate on the Address in Reply was continued and on motion was adjourned for further debate on tomorrow.

The Second Reading of the Bill entitled "An Act to Approve and Give Statutory Effect to an agreement between the Government and Newfoundland Tanneries—William Dorn Limited," was debated and on motion was adjourned for further debate on tomorrow.

On motion the remaining Orders of the Day were deferred.

It was moved and seconded that when the House rises, it adjourn until tomorrow afternoon, Wednesday, at three of the clock.

The House then adjourned accordingly.

WEDNESDAY, October 31, 1951.

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

Honourable the Minister of Public Welfare made a statement Re Southern Labrador.

Pursuant to notice and on motion of Honourable the Premier, the Bill entitled "An Act to Amend the Loan and Guarantee Act, 1951." was read and introduced a first time and it was ordered that the said Bill be read a second time on tomorrow.

Pursuant to notice and on motion of Honourable the Premier, the Bill entitled "An Act to Amend the Public Records Act, 1951," was introduced and read a first time and it was ordered that the said Bill be read a second time on tomorrow.

Pursuant to order and on motion of Honourable the Attorney General, the Bill entitled "An Act to Amend the Industries Act, 1951," was read a third time and passed and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

On motion of Honourable the Attorney General, it was ordered that the Bill entitled "An Act to Approve and Give Statutory Effect to an Agreement between the Government and Canadian Machinery and Industry Construction Limited," be recommitted.

Pursuant to order and on motion of Honourable the Attorney General, the House resolved itself into a Committee of the Whole to consider the said Bill.

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker left the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill with some amendment.

On motion this report was received and adopted and it was ordered that the said Bill be read a third time presently.

Pursuant to order and on motion of Honourable the Attorney General, the Bill entitled "An Act to Approve and Give Statutory Effect to an Agreement between the Government and Canadian Machinery and Industry Construction Limited," was read a third time and passed and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

The second reading of the Bill entitled "An Act to Approve and Give Statutory Effect to an Agreement between the Government and United Cotton Mills Limited," was debated and on motion was adjourned for further debate on tomorrow.

The debate on the Address in Reply was continued.

And it being six of the clock, Wednesday, it was ordered, on motion of Honourable the Premier, that the House do not adjourn.

The House recessed until eight of the clock.

Mr. Speaker resumed the Chair.

The debate on the Address in Reply was continued.

On motion, the report of the Select Committee appointed to draft a reply to the Opening Speech of His Honour the Lieutenant Governor, was adopted.



Pursuant to order and on motion of Honourable the Attorney General, the Bill entitled "An Act to Amend the Automobile Insurance Act, 1951," was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House on tomorrow.

Pursuant to order and on motion of Honourable the Attorney General, the Bill entitled "An Act Further to Amend the Alcoholic Liquors Act, 1949," was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House presently.

Pursuant to order and on motion of Honourable the Attorney General, the House resolved itself into a Committee of the Whole to consider the said Bill.

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill without amendment.

On motion this report was received and adopted and it was ordered that the said Bill be read a third time on tomorrow.

On motion of Honourable the Premier, the Bill entitled "An Act to Amend Records Act, 1951," was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House presently.

Pursuant to order and on motion of Honourable the Premier, the House resolved into a Committee of the Whole to consider the said Bill.

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill without amendment.

On motion this report was received and adopted and it was ordered that the said Bill be read a third time on tomorrow.

Pursuant to order and on motion of Honourable the Premier, the House resolved itself into a Committee of the Whole to consider the said Bill entitled "An Act to Approve and Give Statutory Effect to an Agreement between the Government and Newfoundland Asbestos Limited."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill without amendment.

On motion this report was received and adopted and it was ordered that the said Bill be read a third time on tomorrow.

The debate on the second reading of the Bill entitled "An Act to Approve and Give Statutory Effect to an Agreement between the Government and Newfoundland Tanneries—William Dorn Limited," was debated and on motion was adjourned, for further debate on tomorrow.

On motion the remaining Orders of the Day were deferred.

It was moved and seconded that when the House rises, it adjourn until tomorrow afternoon, Thursday, at three of the clock.

The House then adjourned accordingly.

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THURSDAY, November 1, 1951.

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

Honourable the Premier made a Statement, Re a General Election.

Pursuant to order and on motion of Honourable the Attorney General, the Bill entitled "An Act to Approve and Give Statutory Effect to an Agreement between the Government and Newfoundland Asbestos Limited," was read a third time and passed and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Honourable the Attorney General, the Bill entitled "An Act Further to Amend the Alcoholic Liquors Act, 1949," was read a third time and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Honourable the Premier, the Bill entitled "An Act to Amend the Public Records Act, 1951," was read a third time and passed and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Honourable the Minister of Public

Welfare, the Bill entitled "An Act Respecting Old Age Assistance," was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House on tomorrow.

Pursuant to order and on motion of Honourable the Minister of Public Welfare, the Bill entitled "An Act Respecting Allowances for Blind Persons," was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House on tomorrow.

Pursuant to order and on motion of Honourable the Premier, the Bill entitled "An Act to Approve and Give Statutory Effect to an Agreement between the Government and Newfoundland Tanneries—William Dorn Limited," was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House at a later hour in the day.

Pursuant to order and on motion of Honourable the Attorney General, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act to Amend the Automobile Insurance Act, 1951."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill without amendment.

On motion this report was received and adopted and it was ordered that the said Bill be read a third time on tomorrow.

Honourable the Minister of Finance informed the House that His Honour the Lieutenant Governor, having been informed of the certain Resolutions in relation to the Grant of Supplementary Supply to His Majesty, had recommended the same to the House of Assembly.

Honourable the Minister of Finance tabled Executive Orders in explanation of the amounts mentioned in the said Resolutions.

Pursuant to notice and on motion of Honourable the Minister of Finance, the House resolved itself into a Committee of the Whole to consider certain Resolutions in relation to the Grant of Supplementary Supply to His Majesty.

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had passed certain Resolutions granting Supplementary Supply to His Majesty and recommended that a Bill be introduced to give effect to the same.

The said Resolutions being read a first time and second time it was moved and seconded that the House concur with the Committee therein and the said Resolutions were agreed to.

On motion of Honourable the Minister of Finance the Bill entitled "An Act for Granting to His Majesty Certain Sums of Money for Defraying Certain Expenses of the Public Service for the Financial Year Ending the Thirty-first Day of March One Thousand Nine Hundred and Fifty-two

and for Other Purposes Relating to the Public Service," was introduced and read a first time and it was ordered that the said Bill be read a second time presently.

Pursuant to order and on motion of Honourable the Minister of Finance the House resolved itself into a Committee of the Whole to consider the said Bill.

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill without amendment.

On motion this report was received and adopted and it was ordered that the said Bill be read a third time on tomorrow.

On motion of Honourable the Premier, with unanimous consent, the Bill entitled "An Act Further to Amend the Election Act, 1913," was introduced and read a first time and it was ordered that the said Bill be read a second time presently.

Pursuant to order and on motion of Honourable the Premier, the said Bill be read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House presently.

Pursuant to order and on motion of Honourable the Premier, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act Further to Amend the Elections Act, 1913."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter referred and had passed the said Bill without amendment.

On motion this report was received and adopted and it was ordered that the said Bill be read a third time on tomorrow.

Pursuant to order and on motion of Honourable the Premier, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act to Approve and Give Statutory Effect to an Agreement between the Government and Newfoundland Tanneries—William Dorn Limited."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill without amendment.

On motion this report was received and adopted and it was ordered that the said Bill be read a third time on tomorrow.

On motion of Honourable the Premier, the previous order to refer the Bills entitled "An Act Respecting Old Age Assistance," and "An Act Respecting Allowance for Blind Persons," to a Committee of the Whole House on tomorrow, was rescinded and it was ordered that the said Bill be referred to a Committee of the Whole House presently.

Pursuant to order and on motion of Honourable the Premier, the House resolved itself into a Committee of the Whole to consider the said Bills.

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill without amendment.

On motion this report was received and adopted and it was ordered that the said Bills be read a third time on tomorrow.

On motion the remaining Orders of the Day were deferred.

It was moved and seconded that when the House rises, it adjourn until tomorrow afternoon, Friday, at three of the clock.

The House then adjourned accordingly.

FRIDAY, November 2, 1951.

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

Mr. Speaker informed the House that His Honour, the Lieutenant Governor would be pleased to receive the Address in Reply, presently.

Accordingly Mr. Speaker and Members of the House proceeded to Government House and being returned to the Assembly Chamber, Mr. Speaker informed the House that His Honour had received the Address of Thanks and had been pleased to reply thereto as follows :

Mr. Speaker and Gentlemen of the Honourable House of Assembly :

I thank you for Your Address in Reply to the Speech with which your Present Session was opened.

Honourable the Minister of Supply tabled "Town of Corner Brook Pension Regulations."

Honourable the Attorney General gave notice that he would at a late hour in the day ask leave to introduce a Bill entitled "An Act to Amend the Town Council Bond Guarantee Act, 1951."

Pursuant to order and on motion of Honourable the Minister of Finance, the Bill entitled "An Act for Granting to His Majesty Certain Sums of Money for Defraying Certain Expenses of the Public Service for the Financial Year Ending the Thirty-first Day of March, One Thousand Nine Hundred and Fifty-two and for Other Purposes Relating to the Public Service," was read a third time and passed and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Honourable the Attorney General, the Bill entitled "An Act to Amend the Automobile Insurance Act, 1951," was read a third time and passed and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

On motion of Honourable the Premier that the Bill entitled "An Act to Approve and Give Statutory Effect to an Agreement between the Government and Newfoundland Tanneries—William Dorn Limited," be read a third time, and it was moved and in

amendment by Mr. Higgins, seconded by Mr. Fogwill, that the said Bill be read a third time six months hence.

Whereupon the House divided and there appeared in favour of the amendment, Mr. Higgins, Mr. Fogwill, (2); and against it, Hon. the Premier, Hon. the Attorney General, Hon. the Minister of Public Welfare, Hon. the Minister of Health, Hon. the Minister of Fisheries and Co-operatives, Hon. the Minister of Supply, Hon. the Minister of Provincial Affairs, Hon. the Minister of Labour, Hon. the Minister of Education, Hon. Mr. Vardy, Mr. Courage, Mr. Morgan, Mr. Makinson, Mr. Button, Mr. Janes, Mr. Horwood, Mr. Cashin, (17); so the amendment was lost.

Whereupon, on motion of Honourable the Premier, the Bill entitled "An Act to Approve and Give Statutory Effect to an Agreement between the Government and Newfoundland Tanneries—William Dorn Limited," was read a third time and passed and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Honourable the Minister of Public Welfare, the Bill entitled "An Act Respecting Old Age Assistance," was read a third time and passed and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Honourable the Minister of Public Welfare, the Bill entitled "An Act Respecting Allowances for Blind Persons," was read a third time and passed and it was ordered that the said Bill be printed, being entitled as

above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Honourable the Attorney General, the Bill entitled "An Act to Amend the Election Act, 1913," was read a third time and passed and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Honourable the Premier, the Bill entitled "An Act to Approve and Give Statutory Effect to an Agreement between the Government and United Cotton Mills Limited," was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House presently.

Pursuant to order and on motion of Honourable the Premier, the House resolved itself into a Committee of the Whole to consider the said Bill.

Mr. Speaker left the chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to whom referred and had passed the said Bill without amendment.

On motion this report was received and adopted and it was ordered that the said Bill be read a third time presently.

Pursuant to order and on motion of Hon. the Premier the Bill entitled "An Act to Approve and Give Statutory Effect to an Agreement between the Government and United Cotton Mills Limited," was read a third time and

passed and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Hon. the Premier, the Bill entitled "An Act to Amend the Loan and Guarantee Act, 1951" was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House presently.

Pursuant to order and on motion of Hon. the Premier, the House resolved itself into a Committee of the Whole to consider the said Bill.

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill without amendment.

On motion this report was received and adopted and it was ordered that the said Bill be read a third time presently.

Pursuant to order and on motion of Hon. the Premier, the Bill entitled "An Act to Amend the Loan and Guarantee Act, 1951", was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to notice and on motion of Honourable the Attorney General, the Bill entitled "An Act to Amend the Town Council Bond Guarantee Act, 1951," was introduced and read a first time and it was ordered that the said Bill be read a second time presently.

Pursuant to order and on motion of Honourable the Attorney General, the

said Bill was read a second time and was ordered that the said Bill be referred to a Committee of the Whole House presently.

Pursuant to order and on motion of Honourable the Attorney General, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act to Amend the Town Council Bond Guarantee Act, 1951."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill without amendment.

On motion this report was received and adopted and it was ordered that the said Bill be read a third time presently.

Pursuant to order and on motion of Honourable the Attorney General, the Bill entitled "An Act to Amend the Town Council Bond Guarantee Act, 1951," was read a third time and passed and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

It was moved and seconded that when the House rises, it adjourn until tomorrow, Saturday, at three of the clock.

The House then adjourned accordingly.

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SATURDAY, November 3, 1951.

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

The Sergeant-at-Arms announced that His Honour the Lieutenant Governor had arrived.

His Honour the Lieutenant Governor took the Chair.

Mr. Speaker addressed His Honour as follows:

May it please Your Honour, the General Assembly of this Province has at its Present Session passed Certain Bills, to which, in the name and on behalf of the General Assembly, I respectfully request Your Honour's assent.

Whereupon the Clerk read the following Bills entitled:

An Act to Amend the Industries Act, 1951.

An Act to Approve and Give Statutory Effect to an Agreement Between the Government and Newfoundland Asbestos Limited.

An Act to Approve and Give Statutory Effect to an Agreement Between the Government and Canadian Machinery and Industry Construction Limited.

An Act Further to Amend the Alcoholic Liquors Act, 1949.

An Act to Amend the Public Records Act, 1951.

An Act Further to Amend the Election Act, 1913.

An Act to Amend the Automobile Insurance Act, 1951.

An Act Respecting Allowances for Blind Persons.

An Act Respecting Old Age Assistance.

An Act to Approve and Give Statutory Effect to an Agreement Between

the Government and Newfoundland Tanneries—William Dorn Limited.

An Act to Approve and Give Statutory Effect to an Agreement between the Government and United Cotton Mills Limited.

An Act to Amend the Loan and Guarantee Act, 1951.

An Act to Amend the Town Council Bond Guarantee Act, 1951.

His Honour the Lieutenant Governor then said "In His Majesty's name I assent to these Bills.

Whereupon, Mr. Speaker addressed His Honour as follows :

It is my agreeable duty on behalf of His Majesty's dutiful and Loyal Subjects, His faithful Commons in Newfoundland, to present to Your Honour a Bill for the appropriation of Supply granted in the Present Session.

Whereupon, the Clerk read the following Bill entitled :

An Act for Granting to His Majesty Certain Sums of Money for Defraying Certain Expenses of the Public Service for the Financial Year Ending the Thirty-first Day of March One Thousand Nine Hundred and Fifty-two and for Other Purposes Relating to the Public Service.

His Honour then said "In His Majesty's name, I thank His Loyal Subjects, I accept their benevolence, and assent to these Bills."

His Honour was then pleased to make the following Speech :

MR. SPEAKER AND MEMBERS OF THE HONOURABLE HOUSE OF ASSEMBLY :

I thank you for the industrious and faithful manner in which you have performed your duties.

Although your Session has been short you have given your careful attention to numerous important pieces of legislation.

My Prime Minister has advised me to dissolve this Twenty-Ninth General Assembly, and to cause my Proclamation to be issued for the holding of a General Election. I have accepted the advice tendered to me, and my Proclamation will issue in a matter of hours from now.

MR. SPEAKER AND MEMBERS OF THE HONOURABLE HOUSE OF ASSEMBLY :

Although this Twenty-Ninth General Assembly has been of shorter than the usual duration, it can be said that during your four Sessions you have presented for the Royal Assent more Bills of Legislation than were ever before passed by any General Assembly in Newfoundland. Throughout those four Sessions you have performed your public duties with diligence and with the desire that the many measures enacted should promote the progress and prosperity of our Province.

I now release you from your duties as Members of the House of Assembly and wish you God-speed in your several occupations.



Hon. Reginald F. Sparkes, Speaker

List of Members, with Political Affiliations

Note : L.—Liberal; P.C.—Progressive Conservative; Ind.—Independent.

		Districts
Ballam, Hon. C. H.	L.	Humber
Button, Maxwell	L.	Trinity South
Canning, Patrick	L.	Placentia West
Cashin, Peter J.	Ind.	Ferryland
Chalker, Hon. James R.	L.	Harbour Grace
Courage, John R.	L.	Fortune-Hermitage
Curtis, Hon. Leslie R.	L.	Twillingate
Drover, Samuel	L.	White Bay
Fahey, R. J.	P.C.	Harbour Main-Bell Island
Fogwill, Frank	P.C.	St. John's East
Forsey, Hon. Phillip S.	L.	Burin
Hefferton, Hon. S. J.	L.	Trinity North
Higgins, John G.	P.C.	St. John's East
Horwood, Harold	L.	Labrador
Jackman, D. I.	P.C.	Harbour Main-Bell Island
Janes, Gordon W.	L.	Fogo
Keough, Hon. William J.	L.	St. George's-Port au Port
Makinson, George	L.	Port de Grave
Miller, Leonard	P.C.	Placentia-St. Mary's
Morgan, Baxter	L.	Green Bay
Pottle, Hon. H. L.	L.	Carbonear-Bay de Verde
Russell, Edward	Ind.	Bonavista South
Smallwood, Hon. J. R.	L.	Bonavista North
Sparkes, Reginald F.	L.	St. Barbe
Spencer, Hon. E. S.	L.	Grand Falls
Spratt, Hon. James J.	L.	St. John's West
Vardy, Hon. O. L.	L.	St. John's West