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VERBATIM REPORT

MONDAY, JUNE 15, 1970

SPEAKER: THE HONOURABLE GEORGE W. CLARKE

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The House met at 10.30 a.m.

Mr. Speaker in the Chair.

ANSWERS TO QUESTIONS:

HON. W. ROWE(Min. of Community & Social Dev.): Question 554, asked by the hon. member for Gander on the Order Paper of Friday June 12,

(1) 320 square feet of space.

(2) The rental per year per square foot is \$3.50 making the total yearly rental \$1,120. It is on a monthly basis, the rental is monthly and the space is rented from Tucker Realty company. Tabled.

HON. H. STARKES(Min. of Highways): Question 550, asked by the hon. member for Labrador West.

The answer is \$78.00.

ORDERS OF THE DAY:

Chairman of Committees:

Department of Labour page 76:

HON. J.R. SMALLWOOD(Premier): Mr. Chairman, in the absence of the minister of Labour who is ill, not seriously ill, he is expected to be back in less than a week, I have undertaken to introduce these estimates to the committee. And in so doing may I be permitted to pay a tribute this morning to a man whose name and fame in many parts of this island more especially the central part of the island are in the hearts of a great many people. I refer to the late Joseph J. Thompson, The founder of the first powerful union of loggers that we ever saw on this island of Newfoundland. Joe Thompson for a great many years was the one and only leader of the loggers of Newfoundland. He worked hard to build an organization. He built a great organization. The organization did split into three. There was one segment led by a man, one of his own officers who broke away and formed a new organization in Deer Lake, Mr. Charles Tulk. Another one subsequently broke away, led by another

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officer of the union who broke away from it and founded his own organization, Mr. Pearce Fudge in Corner Brook. And of course the breaking away of two segments of the union, to become independent separated bodies, did to some extent weaken the main body. But the main body continued for a great many years to be the leader of the loggers in our Province. Joe Thompson was not a man of great education but he was a man of great devotion. He was a man of great dedication and his memory deserves to be enshrined in the hearts of loggers and indeed of all Newfoundlanders. He was a good Newfoundlander. He was a good leader. And he did an enormous amount of good.

Now time makes ancient truth uncouth and the leader of today may become an anachronism of tomorrow, a statement with which I am sure there are some hon. members in this House who will agree, that the leader of today becomes an encumbrance and should be swept aside to make room for new leadership. That turned out to be the case in the logging industry and Mr. Thompson did in the end find himself in the unenviable ^{of} and unpleasant position, being unwanted by a large number of the men to whose service he had given such enormous time and effort and for whom he had done so much good. Because the difference between the conditions of the loggers in Newfoundland on the day when he launched his union and the day when he went out is staggering. The difference is the difference of progress and improvement. So I would like to pay that tribute to him, as I did not have the opportunity to do so when he passed away here recently. I am sure that in Central Newfoundland to day and all over the island there are men who will approve my words and who will say; "yes, these words are well deserved."

If there are any questions that are to be asked I will endeavour to answer them in these estimates. I am not an authority, I am not the minister but I will give all the answers I can get and if I cannot get them immediately

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I will try to arrange to have them produced here in the committee.

HON. F. W. ROWE (Min. of Education): Mr. Chairman, I would like to associate myself with the remarks that the Premier has made with regard to Mr. Thompson. And I do so not merely because most of his work as it happens is connected and centered around the district that I represent the district of Grand Falls, and indeed most of the family or a good many of his family are actually living in the district of Grand Falls, but I do so because, as the Premier has already pointed out, Mr. Joe Thompson was a great pioneer. He was a pioneer in the real sense of the word, in labour legislation and in working for the betterment of loggers. I speak with some feeling on this because (if I may make this personal allusion) my father before, many years before I was born, in fact it was thirty years, was a Labrador fisherman, first as a crew member and later as captain of a Labrador schooner. And on an average one year out of four he told me - I say this was prior to my coming into the world - But he has told me and my mother told me that on an average one year out of four, every fourth year on an average, they would come home from the Labrador without a tomcod in the boats. Come home from the Labrador having spent whatever little credit they had, probably in debt for supplies, come home from the Labrador to face the winter without a cent in the world. In order to keep body and soul together he had no choice but to take off for the lumber woods. He has described to me the conditions under which he and the early loggers, hundreds of our men, worked \$10 a month, that was his pay, \$10 a month and the conditions under which they worked is nothing short of animal-like. They were subjected to incredible barbarism.

Now that was prior to Mr. Joe Thompson's time. But that there were tremendous improvements in the 1920's and the 1930's was due largely to the work of Mr. Joe Thompson. I happen to have had first hand acquaintance with this because my first portfolio was Mines and Resources and there at that time we had a great deal of dealings with

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the loggers through the Division of Forestry. And I must express a regret that insufficient attention was paid at the time of the passing, a couple of months ago, of Mr. Joe Thompson, insufficient attention was paid to the contribution that he made. I hope and I am sure that this will be recorded what the Premier said and what I and maybe others will say, this will be recorded so that Newfoundland will be reminded of the debt that we owe to Mr. Joe Thompson, whose passing took place a few weeks ago.

MR.A.MURPHY(Leader of the Opposition): Mr. Chairman, I would like just to say a few words. As a matter of fact I have to plead guilty. I did not even know Joe Thompson was dead, quite honestly. But I can go back some forty years when I went to Grand Falls first, travelling on the road so on and so forth. And I knew Joe Thompson very well. And in later years perhaps twenty, twenty-five years ago and particularly at the time when they opened their hall there on the then station road. I was happy to be present at this opening. I know him through many mutual friends. The Premier made a rather significant statement, I think, that we hear so much today people say he has not any education. The Premier did not say this but he said he was not an educated man and when I look back -

MR.SMALLWOOD: Formally..

MR.MURPHY: That is the point I am trying to make Mr. Premier. That we hear today about education and that they have university degrees and when we look back at the years when men like Joe Thompson and Pearce Fudge who carried the whole country and many hundreds and thousands of loggers practically on their own shoulders without any sophisticated means, we just marvel sometimes at how far we advanced or how little we have advanced with formal education in doing things that people had their heart and souls into. I think men like these, as the Premier has pointed out, My heavens! what they did in these days to bring the lumber woods

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from slavery up to a decent livelihood, I think it was tremendous. And as I say, I am very sorry indeed, ^{to hear} of the passing of Joe Thompson. As I said, I knew him personally very well for many years and his loss, perhaps not today we may not consider the loss because of sophistication again, but the tribute that must be paid to him in the days when he had to get right down to rock bottom to try to preserve a little decency for the labouring man I think should always be remembered by people particularly in Central Newfoundland. As the Premier said Pearce Fudge was another very active man but then they branched out and I think this sort of disintegrated Joe Thompson's power. But I have, I would like to add a word of tribute to him, I think he has been a tremendous gentleman and someone that the labouring people of this Province could look up to as a dedicated hard-working labour leader.

MR. CROSBIE: Mr. Chairman, I would like to agree with the previous speakers with reference to the late Mr. Joe Thompson and his starting the loggers union here in Newfoundland. I think every country throws up some people who are away ahead of their time, including in the labour movement. And Mr. Thompson was certainly one of the pioneers in Newfoundland. And at the time when he commenced his work, certainly conditions in the woods, as they were often in other phases of Newfoundland life, were, as the minister of Education has said, barbaric. And against great odds he was able to organize a lumberman's union and to improve the lot of the men in the woods to a considerable extent, ^{to} compared what they had been when he started. He, of course, is a man who has not been much in the news the last ten or fifteen years, but should certainly be remembered for his great part in the labour movement of Newfoundland. I presume that when the history of the labour movement is finished (this is being paid for by the department of Labour and being done at Memorial University) when that is finished

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it will be published and we will all have a record or it will go on sale or the government will publish or distribute copies free whatever the plans are and we will all be able to read about the history of these men in the early days of the Trade Union Movement in Newfoundland.

Now on the labour estimates generally Mr. Chairman, I think that we have to enquire whether or not the House is drawing to a close. It may conclude this week. I think it was said in the Speech From the Throne that there would be legislation or perhaps the Budget Speech, anyway one of those documents, that there would be legislation introduced in this session to provide for collective bargaining for the government employees of Newfoundland. I think it was stated that I some, It was also stated that the hospital legislation, the hospital workers, Hospital Employees Employment Act, Act No.11 of 1966-67 is going to repealed, ^{and} that there would be certain groups of government employees who would probably not be given the right to strike because of their particularly essential positions. It was not specified which groups these would be. But in any event that there would be a collective bargaining system instituted within the Civil Service of Newfoundland or for government employees, and that there would be steps taken, as I believe the Minister of Health said sometime ago, to provide for some method of bargaining, collective bargaining for hospital workers across Newfoundland, rather than the present system where there are three hospitals at the moment, I believe, have Canadian Union Public Employees who are certified to represent people who work at the Corner Brook, Grand Falls and Twillingate Hospitals. But that some method of collective bargaining for the whole hospital service would be instituted.

Now these are all very important matters, Mr Chairman, and these are the labour estimates. And I would assume or I would ask that the Premier let us know today whether the government is going to be in a position to introduce these changes in legislation at this session.

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MR. SMALLWOOD: If the hon. gentleman will allow me I would like to say that we have firm intention, in the present sitting, present session of the House, to bring legislation along those lines before the House.

MR. CROSBIE: I am glad to hear the Premier say that. Because it is a very important matter. With reference to the hospital workers, Hospital Employees Employment Act, 1966-67, when that was passed Mr. Chairman, I was a member of the government and I have responsibility for that, as well as the other members of the government. Since that time, I do not know when it was first publicly but at least a year ago, I have made my position clear that I think that legislation should be revoked and that it is now time to permit, for the law to permit hospital workers to strike. They should be treated the same as other employees and there should be full collective bargaining for hospital workers, now. One must assume that in 1966-67 I was in favour of that legislation and I would say that I was in favour of it. But there was an emergency on at that particular period. But no matter what the excuse there is nothing, Mr. Chairman, in public life or in any phase of life that requires a man always to have the same opinion as he had at any particular time. Now the Leader of the Opposition was annoyed the other day, I believe because we brought up the subject of the Hospital Workers Employment Act. He was annoyed because, as he said, the P.C. official opposition at that time had voted against it and we had not, which was quite true. But the fact that you supported something three years ago does not mean that you must support the same thing exactly three years later, if you have changed your mind about it. And I have certainly changed mine and I am glad too that the government have changed its mind also. And we are all anxious to see just what substitute is going to be brought in when that legislation is repealed.

I think that the government of Canada now has collective bargaining for civil servants. We all notice, in the post offices, one of the main

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trouble areas in the Federal Government's sphere. New Brunswick has it and most of the provinces have it. I certainly hope that a satisfactory system now is going to be instituted by our government.

Several other general things I would like to mention, Mr. Chairman. There is the question of the minimum wage, which the government announced is being increased. And it was quite a good increase I thought, there about a month ago. The only thing is there is no point flogging, not a dead horse, but flogging the ^{same} subject too much. But I want to mention again that I believe that there should be the same minimum wage for men and women doing the same kind and quality of work. The minister of Labour indicated then that he agreed but that this was a question that had to be studied to see what the economic effects of it might be. And I wonder, Mr. Chairman, whether there is any such study being instituted into this. I do not think it is a matter that should be left indefinitely. If there is to be a study to determine what effects this might have on the Newfoundland economy ; if women are brought to the same minimum wage level as men, then it is my feeling that this study should, if it is not commenced now, that it should be started now and that when a decision is made that there be six months notice or perhaps even a year's notice to employers so that they can all get ready for it. The minimum wage now for men is \$1.25 an hour, nineteen years and over, for females it is \$1.00 an hour over eighteen. I believe most of the members of the House will agree that it should be the same for men and women, So

I wonder if the Premier can ascertain for us whether that study has been started and what the government's position is on that? The minister of Labour said he agreed in principle, whether there needed to be some study done. I think this is also the right time to discuss the situation at Churchill Falls Mr. Chairman, with reference to labour.

Now I missed the Labrador Affairs estimates the other day and I do not want to talk too much on the same subject if this has been covered. But there was a collective agreement entered into, This House amended the legislation to permit there to be a collective agreement between the Churchill Falls Power Project Contractors Association, and the Churchill Falls Project Allied Construction Council. This agreement is going to govern labour relations or the labour situation at Churchill from August 10, 1967 to August 31, 1975. Now the men who go to work at Churchill Falls have no say whatsoever in who they select to represent as their bargaining agent. That is determined for them. Those men cannot go out and decide whether the International Brotherhood of Electrical Workers or the Brotherhood of Painters, Decorators, Paper Hangers of America are going to represent them or one of the larger unions like the Steel Workers Union, that is settled, This House permitted it to be settled, by the Contractors Association of the Building Trades. And when that legislation was passed in this House, Mr. Chairman, I am not sure if it was last year or the year before, I was sitting over here then. I believe it was after we resigned, in May of 1968. I supported the legislation because it was so important to the Churchill Falls project that they have some way of controlling their cost while this great project was underway. But I said at that time, Mr. Chairman, that I was worried about what the effect would be of permitting this kind of agreement. There will be no pressure once the unions have got this collective agreement which they now have. I said then and I repeat, that there is not going to be the same pressure on them to do a good job for the men they are

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representing as there would be if it were possible to have another vote as to who should represent the workers. And I mentioned then that I felt that we should have something equivalent to an ombudsman to look into the matter of grievances of the men with respect of their unions. Now the collective agreement covers the rights of the men and the unions, *vis-a-vis* the employer, but the men, *vis-a-vis* the union, have no protection, as far as I am concerned. None. And the history, the last ten or fifteen years in the trade union movement shows that. There have been a few cases that have gone to the courts, of the really stubborn worker, who, somehow, someone finances him. I do not know how, Or he is persistent or a really determined man and ends up in Supreme Court. But the legal position of the men is weak anyway as against their unions. And I do not know how the other members find it but I have got complaint after complaint, from men coming back from Churchill Falls, of how they have been treated, that they have been discriminated against in favour of french Canadians or just discriminated against generally. I know that other members must have the same experience.

Now a lot of these grievances I know are not justified. We all know that perhaps nine out of ten. But one out of every ten at least, I would say, must be justified, just not taking the averages. And there seems to be something lacking at that project. I know that the department of Labrador Affairs or the government has a man there also but the men working there do not seem to have any confidence in a representative of the government of Newfoundland there. There is something lacking on that project. We need some kind of a militant brazen, saucy, fearless, individual with some experience in union-employer relations, who should be sent up there to represent the public generally and to investigate a lot of these grievances. The present situation is not satisfactory. Here is a letter here, we all get these letters. A man dropping me a few lines looking for work at

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Churchill Falls. That is a different one that is one for the manpower. But here is a man that if he does not get work at Churchill Falls he is going to start a revolution in Newfoundland. Blames it all on the Government, of course. But he got a call to go out to manpower to come to St. John's, he is from Musgrave Harbour, He got a job driving a dump truck, and he was up to Churchill, He was working for four days and someone ran over an acetylene tank down in the pit and they blamed it on him. He says it was not him. And he was only in Churchill Falls four days and he was laid off and sent out again. It is a big long letter about it. He is down in Musgrave Harbour and has to go on the Welfare. He was fired. He was working at Victoria Lake. He had lots of experience, he says driving thirty ton euclid trucks for two summers with Lincoln, I believe he says here. He got four days up there and he was blamed for running over an acetylene tank and put out again. He is now in the mood for revolution.

This will cause a war after a time because there are more every year going on welfare. Well perhaps this man's story is justified, perhaps it is not justified. But who is looking into these? How can a man get a job at Churchill, be there four days, be blamed for doing something wrong on the site and be shipped out without anybody looking into the matter for him? This man I suppose never came across a union representative up there. Where are the union representatives? Every man who gets dismissed or sent out of Churchill Falls, surely the union should have a man who looks into the matter for him, and if they think he has a justified grievance that the union should process a grievance under this collective agreement. This is not happening. See here is this man sent back because he is blamed for running over this acetylene tank. Nobody investigates it for him. Nobody goes to the employer and says why is this man being laid off, and look into the matter. The employer will probably say well he is not competent to drive this particular equipment. And if the union representative thinks he is they can look into the grievance. But this apparently is not being

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done. I do not want to be unfair about this matter but I have had too many people coming to me and writing me letters and I am sure all the members have. There is something wrong at Churchill Falls. There is every appearance that the unions, under this collective agreement, are not being pugnacious enough, are not being active enough on behalf of the men who are going up to Churchill Falls.

Now that man should not be writing me. That man should be on to the union. And he should be having a grievance looked into by the union. But he is not and I do not know why he is not. I suppose he did not even know there was a union up there. Another man from Gambo. He got drunk at the hotel. I would like to comment on the Churchill Falls Project. Worked from May 1, to Dec. 6, came down to Churchill Falls to come home and got drunk in a hotel. The manager called the R.C.M.P. who took him and locked him up. The next morning he had to pay them \$170 plus \$20; \$190, then he came back home and they will not take him back up there. Suppose he did get drunk in the hotel, he was on his way out after being up there six months, and caused some trouble. Is that sufficient? I mean if a man comes out of the bush after being in the bush for three months, or six months who is to be going/surprised if he gets drunk in a hotel and causes some trouble? You might have more sympathy, if you own the hotel or had something to do with it, with the hotel than with the man. Whether it is the hotel or what it was I do not think that is enough to bar the man from Churchill Falls Project, unless there is more to it.

MR. SMALLWOOD: Unless he starts a racial -

MR. CROSBIE: Right. There may be some other kind of reason. Here is another one a pipefitter, heavy equipment operator. Now here is a man from Salmonier who says he is a heavy equipment operator and he was employed to go to Churchill Falls as a heavy equipment operator. When he got there he was not used as a heavy equipment operator just as a labourer. The foreman, he says, who were french Canadians, operated the heavy equipment. He says he and the

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other Newfoundlanders were not given any over-time. The foremen were given all the overtime. So when the company kept them on at labourers rates of pay he left and returned to St. John's. Now that, of course, can be easily looked into and checked by the union or somebody at Labrador Affairs. Well we are all getting some kind of complaints like that. So there is something very much wrong Mr. Chairman, with this labour situation at Churchill Falls. The same situation, the same kind of contract is entered into for Stephenville and there will be the same kind of one for Come by Chance, if and when that goes ahead. This government has made those kinds of agreements possible, or the House has, and there is good sound reason for them. But I say that this House and the government should do something to ensure that the rights of the men are protected, should ensure that the unions are properly looking out for the men, should put somebody to work on behalf of the public to see that justice is being done up there. I have had man after man come to me and not one of them have been near the union to process a grievance.

MR. SMALLWOOD: That is right.

MR. CROSBIE: They probably do not know about the union.

MR. SMALLWOOD: That is right.

MR. CROSBIE: And the union is just leaving them on their own. So I do not know if the Premier might be able to tell us what the views of the government are, no matter what the government feels might be, the government might be able to do about it. But apart from Churchill Falls there is a problem to day between the ordinary member of the union and the big union. I do not care how angry the unions get about it, that is true all over the United States; It is true. The small man who is a member of the big union is just as weak vis-a-vis that union executive as he is against his employer. And that is an area that governments are going to have to deal with.

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I do not believe that we have had an explanation yet from the minister of Justice on the situation of the two Tremblets from Grand Falls-Windsor who were taken from Churchill Falls and who had to appear at court there June 11, Magistrate's Court. Now this is another example of high-handedness, Mr. Chairman. Now it does not matter whether Fred Tremblett and Gus Tremblett are as guilty as can be, That is neither here nor there. It does not matter whether they are quite guilty of having a racket on May 24, up at Churchill Falls, when they are on holidays, and got involved into a fight or whatever it was. The point is they should never have had to put up bail and then have been taken from Churchill Falls and put on the next plane, before they are even found guilty, if they were going to be found guilty, and shipped out of Churchill Falls before June 11. They are black listed. They cannot get back to Churchill Falls.

Now the minister of Justice was looking into it and all the minister of Justice can look into is to get the story from the RCMP, what happened in that respect. But that illustrates the authoritarianism that is rampant on the site at Churchill Falls. Even if the RCMP did not put them on the plane the security personnel of the Churchill Joint Venturers Organization put them on the plane and sent them out, although they had the trial set down for June 11 at Churchill Falls in Magistrate's Court. Now it does not matter whether these two gentlemen are one hundred per cent guilty, the whole thing is wrong. They should have been left at Churchill Falls until their trial came then if they were convicted and their employer no longer wants them and has good grounds for that, then perhaps ship them out. Of course if their employer no longer wants them and dismisses them they have to be sent out. There is nothing else for them to do at Churchill Falls. But that should not happen, Mr. Chairman. Who is protecting the rights of the ordinary citizen of Newfoundland at Churchill Falls? Whoever it is, is not, in my view is not doing his job. He should have been screaming blue murder, the

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day that those men were shipped out. In fact he should have stopped it. Or he should have been on to the minister of Labrador Affairs who should have stopped it, or unto the minister of Justice. And we all know that is an involved situation there and a great construction site and you have to keep discipline and you cannot have unwanted people landing there. But it is repugnant for a Newfoundlander not to be allowed to even go on some of his own soil up at Churchill Falls. I remember reading a piece in the paper the other day about, ^{how} you know, tourists cannot even see Churchill Falls because, if you land on the airstrip, they will tell you to take off again a couple of hours later. You know that is something the tourist department should be doing. This is not relevant to labour, unfortunately. When I saw that article it reminded me of that you know, organized flights into Churchill Falls. We are not going to be able to see the Falls, once the power, once everything is ready and the power production starts, Churchill Falls will disappear. If it could be arranged by the government or somebody they should be flying in plane loads of tourists every day into Churchill Falls, circle the Falls and have a look at it, land and have a bite to eat and take them out again. Somebody is missing a great chance there.

These are some of the general points that would ^{be} interesting to get a comment from the acting minister of Labour or from the Premier.

MR. SMALLWOOD: Mr. Chairman, I think I will go out now and see the doctor to find out what is wrong with me. Because I am finding myself too much in agreement with the hon. gentleman, so there has to be something wrong with me. I am getting nervous, I am feeling uneasy. Yes, I agree, I think I agree one hundred per cent, perhaps the first time in my life, with the hon. gentleman. He himself does not disagree, I think, with the idea that on a great construction project that is going to last two or three years or even more, if it is going to last six or eight or ten years, it is of life and death importance that there be no strikes or lockouts, that the

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job go forward and that it gets done. This is of life and death importance. The paper mill at Stephenville is now subject to a project labour contract, for the duration of the construction. The contractor, Sir Robert MacAlpine and Sons of England, the other day in Stephenville met in conference with the representatives of all the construction trades unions. There and then they negotiated and signed a labour agreement for the duration of the construction. The whole period of construction of that big mill, that there will be no strikes or lockouts. The rates of pay, with escalation everything built in, have been put down in writing and a contract made. This is the only thing that can be done with a great project that has a time limit set to it, that has got to be ready by a certain date. You cannot have the whole thing dislocated and put in an awful condition of demoralization and maybe financial disaster by a big strike or a lockout or any kind of a labour dispute. You cannot have it. There are certain trades and industries, once they are operating, they are going on where you could have a strike for a month, or three months or six months, without economic or financial disaster. But you cannot have it in the construction period.

For example, take Churchill Falls. In Churchill Falls the one thing there had to be before there could be any construction was a contract for the sale of the power. If you did not have that you could not go ahead, you could not let any contracts for construction, if you did not have the power sold in advance. And having it sold in advance meant having it sold for a long period of years, at fixed rates and built in escalation or deescalation as the case might be. You have to have that or you would not raise the capital to build the project. You had to have the contracts, the prices had to be set, and then you went out and you raised the money. When you raised the money you raise it at certain fixed rates of interest, which you have to meet. You pay back the principal and you pay the interest. That is fixed. These are fixed charges that have to be

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met or the thing goes into default. So, therefore, you have to have certainty, you have to have absolute assurance that the project will be built, it will be completed, it will be ready by a certain date, it will go into production on that date and then by a later date some more production will start. Then by a later date still more production will start, the whole thing spaced out so as to meet the need to service the debt when the need arises.

Therefore, I suppose the hon. gentleman will agree that a project contract makes sense and is absolutely indispensable. I do not think there is any room for argument about that. I do not think there is any room to argue about that, that great industrial projects that are costing hundreds of millions of dollars, which must be borrowed at fixed rates of interest, must be completed on time so that the interest payments can be met. I do not think there is any argument on that.

But here now, Sir, is what happens. And it has happened at Churchill Falls, and is bound to happen in any big project going more than a couple of years. A contract for one year might be different but where it is a long term contract what happens is that the unions, having their union contract, having their closed shop, having their contractual relationships set up and fixed and permanent for say ten years, the union then gets lazy, or the unions. I forget how many unions there are in that contract, at Churchill Falls.

MR. CROSBIE: Ten or twelve -

MR. SMALLWOOD: Ten or twelve or more of the building trades unions are involved. They have signed their contracts.

MR. CROSBIE: Thirteen down there -

MR. SMALLWOOD: Thirteen, now, what have they got to worry about? What effort have they got to make? They have their contract. It is good for ten years. Why should they stir themselves? Compulsory check-off. When you go

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into work the first thing you have to do is join the union and start paying your dues, no matter who you are, or where you come from. The union does not care. As soon as you go to work you are a member of the union. If you are an electrician and you are not a member of the union before you go there you have to join before you go to work. A plumber, a painter, a heavy equipment operator, office worker, a cook, a carpenter anything, whatever you are, you have to join the union of your trade and you have to start paying dues, which are deducted from your pay and passed over to your union. So the union is well fixed. They are sitting pretty. Sitting quite pretty. There they are, absolutely secure for ten years. With what result? With this result that they grow lazy. Lethargic. They do not have to get out and fight for their membership. They do not have to get out and perform. They do not have to get out and convince the different workers that they should belong to the union. They do not need to. There is no need to do it. They are members. They cannot leave it. They cannot get work unless they stay members. And as long as they are working the union dues are docked from their pay and passed over to the union. So what has the union got to worry about? What?

MR. SMALLWOOD: Why do they have to stir their stumps? Sir, in case after case, just as the hon. gentleman said, he has letters. So have I had letters, and I had hundreds of men, perhaps not hundreds, not far from a couple of hundred men who have worked at Churchill Falls and have come back and come in to see me at my office, or at my home. Hundreds of men have written me and maybe as many as a couple of hundred have come to see me, after coming back from Churchill Falls. Not men looking to get down there. They number thousands. Thousands literally - literally thousands of men, who are trying to get work down there, have come to see me, but at least a couple of hundred who have been there working, and come back and came in to see me. And many hundreds of others have written me, and they write me from down there. I get letters from workers who are now working in Churchill Falls. And again and again I have asked the question, what did your Union do? Ah, Union! "I never see any of them." Well do they not have stewards, do they not have shop stewards, and representatives there stationed? Do they not have a grievance committee? Why do you not take it up with your Union? "Useless, I never saw them. I never see them. I do not hear anything from them."

Now that is one weakness in this project contract. Terribly important factor in it, and an awful lot of the discontent in Churchill Falls or in any such project, construction project, would be eliminated would not have happened in the first place if this were done. Because if it were done, it would be an object lesson to the employer, to the contractor, to the people who cause a lot of this trouble. It would be an object lesson to this foreman or that foreman, or this general foreman or that general foreman, to this superintendent or that superintendent. It would be an object lesson to this contractor or that contractor if the Unions were alive and alert and on their feet, and defending their members - every case that cropped up. Then there would be fewer cases cropping up. Mr. Condon, the Newfoundland Government's representative, is stationed right in Churchill Falls. Conway - from Grand Falls. Here is a man who for many years of his life was in that very work, labour relations. A very level-headed man, a fine Newfoundlander. True he is only ^{one} man, and he cannot take the place of thirteen Unions. He

cannot be there - no one man can be there to do the work that thirteen Unions should be doing, who are drawing down the dues - it would be interesting to know (I must make a mental note) make a note and we will find out how much money a month is being deducted from the workers in Churchill Falls. We will get the figures. We will find out how much a month is being deducted for the Union dues. How much? How much money are these Unions deriving from their memberships in Churchill Falls? I will bet it is enough to pay the cost of every Union, maybe not every Union - there will be some small Unions - there will be some Unions with small memberships there. The hon. Minister of Social Services says it might run to \$80,000 to \$100,000 a month - I do not know. But we will find out what it runs to. But certainly it is enough to enable the Unions jointly if not each individual one of the thirteen Unions to maintain a good force, a good organization there on the job, to which every worker with a grievance could go - and which would fight for the cause of every individual worker. In this I am in complete agreement with the hon. member for St. John's West, I absolutely agree with him. I am angry about it myself. I have been disgusted about it, and yet on the other hand, if you ask me, should the project contract be abandoned, I would say no, God forbid - God forbid that a vast project, costing a thousand million dollars, one billion dollars - the greatest project of its kind in the history of mankind. There has never been anything like it in the world. Never any power project the size of Churchill, and that is only the Upper Churchill, a thousand million, and it will take another five or six hundred million to do the Lower Churchill. This is going to be - the like of this the world has never seen, and you cannot have strikes there. They would be utter, utter and irreparable disaster. The thing would have to go into default. It would be a frightful, frightful situation, But there is the price we are paying - that you are not getting real protection for the individual trade union hand, working, whether he is a Newfoundlander or Qubecer or whatever he is. He is not really getting the kind of protection, of fierce protection, as the hon. gentleman says - going after the jugular. Instead of going after my jugular now, the hon. gentleman this afternoon is going after the jugular of the contractors down there, which is as it should be. I will join him, and we will make a joint attack on the jugular of the contractors down there.

So that will be one elephant and one mouse working together in harness.

MR. MURPHY: Mr. Chairman, I have, from time to time, expressed some criticism of the Department of Labour over the years, and I compared them on some occasions to the undertaker rather than the doctor or the nurse. My feeling of a department of labour is that there should be a constant contact with various phases of labour and labour unions, not wait until somebody decides they are going to walk out, and then go through arbitration and conciliation, so on and so forth. I believe that this department has the power to nip a lot these things in the bud by being rather dynamic, if you like. We have been talking about the labour situation that my hon. friend from St. John's West brought up. And the Premier has agreed wholeheartedly. Now every member of this House is receiving correspondence from people who have worked at Churchill, are working there, are trying to get in there. Now it has been said and I will just repeat that when that project agreement with the Unions was brought forward - I think everybody in this hon. House supported it, although we felt that we were giving the Unions a free ticket, if you like, for the duration which I think was eight to ten years of this agreement. And it has been stated and I will just say it because the same thing was in my mind, and I hope I am not being unjust, because what is happening in Churchill to me seems to be going on behind a huge highboard fence. We hear things coming out and so on and so forth. But there does not seem to be any communication back and forth between Government, as far as we are aware. We know Tom Conway was sent down there three or four years ago, but what can one man do in Churchill Falls? I do not know exactly what his terms of reference are. I do not know if anybody, feels they are being treated unfairly, goes to Mr. Conway -

MR. SMALLWOOD: They have a right to.

MR. MURPHY: I do not know if Mr. Conway reports back to the Department of Labrador Affairs. Basically I do not know who has the responsibility of Churchill Falls, whether it is the Department of Labour, the Department of Economic Development, the Department of Labrador Affairs - who in the first instance would I go to - what minister would I report to if I came back and felt that I was not treated fairly? Mr. Conway is there, and I cannot fail

I cannot understand why there is not some type of grievance committee established right there on the spot, not back here where somebody has been thrown out, and he comes here and beats on forty or fifty doors like the case that the hon. member mentioned again this morning, that the hon. Minister of Justice is dealing with. Anybody who has been connected, in the early days of the establishment of the Air Force - U.S. Air Force at Goose Bay, I was visiting there three times a year, and anyone could see what was happening - there had to be discipline there, very strong discipline.

I remember Drake Merritt, when they were doing the big job on the base there, and they had the Airplane Lounge or Club which was called the BullPen. And they had a huge wire fence around it, and the boys went in there for their beers. It was outdoors and they were allowed so much a night, and some of the boys were coming out around the park and reaching in through the fence to get an extra few bottles of beer to bring back to their bunk houses. So then they erected another fence about ten, twelve feet away, so that you could not get access to this inside fence. Now I know they had a problem with many hundreds of men there, But these Unions, and I say I do not want to be unjust - I do not know just exactly what they are doing. We know they must be taking thousands and thousands and thousands of dollars out there. It is a guaranteed income for them for the next seven, eight years, whatever it might be. But I feel they must have some responsibility, But if they are not taking it, if they are not taking that responsibility, who in the final analysis is responsible for fair treatment to all Newfoundland people? It has to be this House of Assembly or the Government. if you like, but this House of Assembly basically are the ones who must take the final responsibility.

MR. SMALLWOOD: Would the hon. gentleman let me interrupt him? Perhaps it is too late now to do this to the Upper Churchill, but certainly it is not too late to do it in connection with the Lower Churchill. There will be a similar project-labour contract with all the Unions and the contractors for the Lower Churchill, which is half a billion dollars. That is a tremendous

project. The Government can insist - I do not know what authority we have, but we can insist, and if do not have authority we can come back to the House and ask for the authority by legislation to be enacted for the purpose - to insist that there shall be written into that collective labour-project contract provision for precisely the thing we are talking about here this morning. This should form a necessary part of the Union activity on the job - if they are there, let them perform - let them render good service for the dues they receive.

MR. MURPHY: I think that makes sense, and that is perhaps a little extraordinary in this House what the Premier says, perhaps it may be too late, but let us deal with the facts now. Let us deal with theory which is the Lower Churchill or DREE - we hope it comes. But let us deal with what is happening now, and it is not going to be - we are in the middle of it now as I can see. There are another two or three years that we must deal with this Upper Churchill - whatever it may be I am not quite sure. I just say two or three - maybe four - well four years is a long time to let such a condition exist, as is in vogue at the present time. So I would urge - I do not know who has the ultimate responsibility, whether it is the minister of Labrador Affairs, the Department of Economic Development, the Department of Labour, or who it is that could go in there and say to someone and say, "look this must stop, this must stop now." I mean we can do it with the hospital workers. We can do it with everybody, but when we come up against something like this, where we are being treated most unfairly, and I feel that, most unfairly, the ordinary working man. I have heard of cases, the same way as the hon. member quoted this morning, fellows hired on for some kind of a job with a trade or something else. He gets down there and he is given a job as a janitor or something else. The other day, I think I mentioned in this hon. House, a gentleman just came back and he was chatting to me - well they wanted thirty-five carpenters in Churchill Falls, and only five from Newfoundland. God alone knows there are enough carpenters - Is there any communication with these companies? Honestly, I cannot understand it. I cannot understand it. It is a Newfoundland project. It is on Newfoundland

soil -

MR. SMALLWOOD: The law says it must be Newfoundland labour.

MR. MURPHY: But what is the good of a law - it is like a minimum wage and all the rest of it. Look we can have forty-five volumes of laws. And as for a policeman, it is just as good to have nothing. Just as good to have nothing. This is the point I am making. This Government, through the years can be so vehement on so many things, but when it comes down to the gut issues, like we have today, where so many hundreds and thousands of our people are looking for work - and they go in there and it would be just as good for them to go to Siberia. This is my opinion. It is just as good to go to Siberia. I asked the Minister of Welfare the other day - that perhaps for him to dig in to the thing and see if he can get some jobs for chronic unemployed - who must be rotting out inside, disintegrating, through futility of walking this town and other towns, not only St. John's but all through the Province, and cannot get a job. And here we have hundreds of jobs being filled, and again, and I cannot understand it, if I am down there (and this may be wrong) - but if I am down there and I send back a name of a cousin or an uncle or whatever the case may be, they will get a job. But unless you have a buddy down there, it is almost impossible to get in. Look would someone, and I ask the Premier now, kindly let us know what is happening. I am not saying that the Frenchmen are running it, I do not want to. But when you are in ignorance in this hon. House of what is happening - I am at a great loss to understand just what is happening. Someone must be running the outfit down there. Someone is getting jobs, but how in Heaven's name do they get the jobs? How do they get them? I know over here in the Argyle building Mr. Graham and Mr. Downton must be crucified because I have sent, the past few weeks, a hundred or a hundred and twenty trademen in and out. But I think it would be just as well to give them a half dollar out of my pocket and tell them to go down and watch a movie in the afternoons. At least they could enjoy themselves. Now this is a Province that is on its knees looking for jobs. We cannot afford to lose not even one single job. Whose responsibility is it? I do

not know. Quite frankly, I do not know what the deal is. The Premier expressed great regret the other day, when the figures, I think it was sixty or sixty-two percent Newfoundlanders, I am not sure.

MR. SMALLWOOD: Sixty-four -

MR. MURPHY: But the other thirty-six. We know there are people who must come from outside.

MR. SMALLWOOD: The manual is seventy-five percent Newfoundlanders.

MR. MURPHY: Sometimes you just think it is just as well to go up on top of the Southside Hill and shout out to the ocean. This has been going on for years and years. You know after eight years in this House, when I look back I think I have said the same thing about labour about five hundred times. And it is like in the great canyon where your echo comes back - it is just wasting your sweetness -

MR. SMALLWOOD: On the desert air -

MR. MURPHY: On the desert air. For as many a rose was born to blush unseen But generally on labour, Mr. Chairman, I think that we are in a stage, not only here in this Province, but in all the world I think - well it started after the First World War, and in the Second World War, the hon. member brought up again equal pay for equal work, men and women. This has been fought for, not only here in Newfoundland, but I think all over. But I think basically, what is happening, and again this is only my opinion, just through observation, that there are many jobs that could be filled by men - and they would have to pay them a dollar twenty-five, but they are filled by women - and I was rather amazed a few months ago at the percentage of married women in the labour field at this time. And these were not widows. These were married women whose husbands are working and we can easily see - I know when I came out of school in 1929, there were some women working - there were very few married women. They were mostly doing office work, as we were trained to do at that time - Commercial and typing and so forth. But on Water Street and in the stores, there were very, very few married women working. I think this perhaps too was an affect of the way we are all living, and as the fellow said,

it is not the high cost of living today, it is the cost of living high that is killing us all. And in many cases, perhaps, we cannot criticize them. A young couple, married, they buy a new home - set up a sum of money, and the wife has to work to pay off the mortgage. But the whole question of labour and employment is a very, very serious one - as I say particularly in this Province, where we are cut off from the Mainland of Canada. Even now, in the great City of Toronto, where everybody and his brother thought they could jump up there and get a job overnight, it is becoming very, very difficult because of the migration from the Maritime Provinces and perhaps other parts of Canada. The minimum wage, I think we are all pleased to see that now we have the minimum of a dollar twenty-five, and a dollar for women, which is a considerable increase over the past few years. But it is just the escalator thing, or where you are just on a treadmill, where you are trying to keep up with the cost of living. I would like to see, Mr. Chairman, this Department of Labour, and I think in the first instance it would be their responsibility, to sort of dig in and particularly like Churchill Falls, and possibly you might have the same thing now with the great mill at Stephenville, the same thing is being worked out - I think the agreement was signed some three months ago -

AN HON. MEMBER: How about three weeks ago?

MR. MURPHY: Three weeks or a month ago. The same thing is happening. But in fairness to the men, I am not against Unions. I was in favour of Unions for years myself, but I do not think we can allow the men to be forced to join a Union, and then have the Union do nothing for them, like has been happening. You just pass the Union over X number of dollars on a silver platter, give them ^{the} right to have the dues on a checkout, but then sit back and say all right, where do we go next? So I believe Mr. Chairman, on this, on the heading on Labour generally, I believe some one has to get out, stir things up a bit, either the Economic Development, Labour or Labrador Affairs, as I said before, and find out just what is happening in Churchill Falls. I know we sent a committee down last year. I think the hon. member for Trinity South, my colleague here, and I think it was the hon. minister himself. And they came back and said they could not see anything that was wrong there, and

we answered their report. I think they were honest enough in it, but basically, underneath, there is some little thing happening that whether a committee, as such, can get their fingers on it, I do not know. I do not know if they are aware that this committee coming in represent the House of Assembly - we are sort of brought around and so forth and so on, and different things done. But I certainly hope, and I think that is the sore part today in Labour circles - it is Churchill Falls at the moment, and as the Premier said, in other agreements coming up, we know now what to look for, Lower Churchill or anywhere else, and we will stop perhaps some of these little breaches that are in these agreements. I think that is all Mr. Chairman, I have to say on the subject.

MR. SMALLWOOD: Mr. Chairman, I will delay the Committee, just to say that the hon. member, my Parliamentary assistant, tells me that when they were down there last year, they had about 100 cases brought to them. And they examined these 100 cases, one by one, and did not find one solitary one of them justified. 100 complaints - complaints by 100 different people - they did not find one that could be justified, which is a very staggering fact.

Now what I wanted to say is this, that between the seventeen or eighteen days, between May 27 and June 8 - no, that is not seventeen or eighteen days - Twelve days. In the twelve days between May 27 and June 8, 196 persons were recruited in Newfoundland for Churchill Falls, were hired on. 196 persons in those twelve days, and in the same twelve days there were eighty-one others hired on, outside Newfoundland. 196 in Newfoundland and eighty-one outside, because, and I am quoting the precise words now. "Because qualified persons were not available locally to fill these skilled positions." So these eighty-one jobs were evidently skilled jobs. Now on that date, June 8, there were 5,249 jobs at Churchill. 5,249 jobs. Of these, 3,353 were filled by Newfoundlanders. Now that is manual and non-manual combined. In the manual, seventy-five percent of the jobs were filled by Newfoundlanders. And the non-manual - thirty-four percent. That is engineers, superintendents, general managers, the administrative, supervising and engineering personnel - of the contractors and of the project managers, Thirty-four percent ^{were} Newfoundlanders and seventy-five percent manual, making an overall average of sixty-four percent -

or sixty-three point nine. Rounded out at sixty-four percent or thirty-three hundred - and fifty-three Newfoundlanders. Now that was the position. I am not happy about that. I am unhappy over the number - eighty-one taken on, in those twelve days - eighty-one taken on from outside the Province. I am unhappy over that. In fact I am more unhappy over the fact that they evidently could not get those eighty-one jobs filled with Newfoundlanders, that they had to go outside to get them filled. These are skilled jobs.

MR. SMALLWOOD: One day - twenty years ago, it would not have been 196 hired in Newfoundland and eighty-one outside of Newfoundland, it would have been the reverse would it not twenty years ago? It would have been eighty-one hired in Newfoundland and 196 hired outside of Newfoundland, or worse than that. It is a bit better than it was. It has got to become a lot better yet.

MR. MURPHY: Who procured those figures,

MR. SMALLWOOD: Oh, I get these figures delivered to me, would the hon. gentleman like to have them?

MR. MURPHY: No, no, no, the fact is now, are these sent to the Minister of Economic Development, the Minister of Labour -

MR. SMALLWOOD: They are sent to me as Premier.

MR. CROSBIE: Mr. Chairman, on this same point, the ones who sympathize with the contractors and so on who want to get a job done as efficiently as they can, and at the best price they can, because they will probably have to bid pretty fine to get a contract up at Churchill Falls, but how does one judge - who is doing the judging as to who are qualified men - the contractors there?

MR. SMALLWOOD: Canada Manpower.

MR. CROSBIE: Right, and how they exercise that judgment determines of course where they go to get the men. Now there is probably no way of doing it, but assume that they can get more qualified men from other provinces, which they probably can and heavy equipment, and certain things like that. Now how are our own people ever to get any experience in this line, if we cannot insist on so many of them being hired on in any event? I mean, when the job is bidden, when Brinco or whoever it is figures the job, I think our Government should tell them, "all right, gentlemen, you are going to have to add in a \$1 million or \$2 million, if it is a big, hundreds of millions of dollars a job, you are going to have to make an allowance of two and a-

MR. CROSBIE: half to three percent, or something or other like that, for men that you are going to have to hire from this Province, who need experience. They have gone through the training school at Stephenville and so on, but they need experience. Now you are just going to have to allow for that, and make allowance to your contractors for that. Because how are the men graduating from Stephenville ever going to get experience, if they cannot get up to Churchill Falls, or if they cannot get taken on at the Stephenville Project or some other project like that? So, I think, that we should insist that one of the things that is going to be done on these jobs, ^{is} that our men are going to be trained on the job, or a certain number of them are, and some allowance will have to be made in the figures for that to be done.

Now I would like to see, Mr. Chairman, I do not care if it is a special committee or a committee of one, someone appointed from this House to go up again to Churchill Falls and have another look at this situation. The other special committee went up a year ago, and I think it is time now for another jaunt up to Churchill Falls. A one man committee is all right, as long as it is the right person goes up, or it could be two or three, to go up to Churchill Falls and spend a week or two.

MR. SMALLWOOD: Perhaps then send the same three.

MR. CROSBIE: Send the same three or -

MR. SMALLWOOD: They already have the background.

MR. CROSBIE: But it is time for them to take another look, and the thing should be properly publicized before they get up there, and they should go out to visit the jobs outside Churchill Falls itself.

AN HON. MEMBER: They did that last year.

MR. CROSBIE: They did that last year, well they should do it again.

MR. SMALLWOOD: I will undertake to recommend to my colleagues that we bring a motion before the House here in full, not the committee, but the House itself appointing that delegation to go again.

MR. CROSBIE: I think the members last year were, St. John's East Extern,

MR. CROSBIE: Trinity South, and the Minister of Labrador Affairs. And I think, Mr. Chairman, if I might suggest, that the member for the district should be added to the committee too. I do not know whether he has trouble getting in or out of Churchill Falls these days. But -

MR. SMALLWOOD: If I thought he had trouble getting in or out I would be all in favour of putting him on the committee, otherwise, I would not be so keen.

MR. CROSBIE: Well we know for a certain reason the Premier may not be so keen, but after all he is a former union man, and he does represent the district. And if an election is called while all of these people are working up there, these are his constituents, and he should have a special interest in them. So I would suggest that he should be included. I would like to know, for example, if the Premier could find out, I do not see any reason why the Government could not, how many grievances, this agreement is effective from August 10th. 1967 to August 31st. 1975, and three years have now gone, well not quite, August 10th. 1970 will be three years. I would like to know, for example, how many grievances have been processed under the grievance procedure under this collective agreement? I would think if the union is doing its job up there, it would be darn near 500 or 1000 grievances.

MR. SMALLWOOD: I will undertake to find out.

MR. CROSBIE: All right.

MR. SMALLWOOD: The official - the Chief Administrative Officer of the department is making a note of my request, but we will find out.

MR. CROSBIE: It would be very interesting to find out how many grievances were started through the grievance procedure? And how many went right through the grievance procedure and how many grievances went to an arbitration board? If any.

MR. SMALLWOOD: We will find out.

MR. CROSBIE: You see Page seven, Section 10-03 says the aggrieved employees shall present his grievance with or without his steward to his foreman orally within five working days after the circumstances giving arise to the grievance having occurred or originated. Well how does a man present his grievances if he is being shipped out of Churchill Falls - you know, he is told you are terminated today, and you are shipped out tonight or tomorrow, How is he ever going to start the grievance procedure going? and when he gets back to St. John's, to his home, he probably does not even know where the union office is. So it would be interesting to have that information, The Premier said he would get it.

I would also like to know this, that when the security people or the R.C.M.P. or whoever, shipped men from Churchill Falls - it is not voluntary on the part of the men, in other words they are dismissed or they are shipped out involuntarily, does that first have to be reported to Mr. Conway or some representative of the Government of Newfoundland before those men are shipped out? For example, did Mr. Conway know that the two Tremblett's were going to be shipped out, before they were shipped out or well do they have to report to our representative before they take men and ship them out involuntarily? I think that they should have to.

MR. SMALLWOOD: I will find that out too.

MR. CROSBIE: They should have to report to him, so he can look into it, and if he thinks there is something wrong here he can phone his minister or get hold of the right official and have the matter checked out.

I would also like to know if the Premier could find out how many men do these unions have up in the site? There has to be, under the agreement there at least has to be one man there. I forget which article that is. Now whether each union has one or whether there is only one there.

MR. SMALLWOOD: I know they do not each have them.

MR. CROSBIE: Well how many permanent staff do these unions have on the site?

MR. SMALLWOOD: One man they have had there is this chap, this Irishman, what is his name?

MR. CROSBIE: Well to my mind -

MR. SMALLWOOD: He is an Irishman, and he has been in to see me a half a dozen times.

MR. WINSOR: Gray.

MR. SMALLWOOD: Gray. He is the one who is suppose to police it for the unions.

MR. CROSBIE: Well, I would like to find out, Mr. Chairman, if we could, are there any men permanently on that site employed by these unions, and if so how many?

MR. SMALLWOOD: We will find that out.

MR. CROSBIE: And further, Mr. Chairman, if it appears that the union is doing an unsatisfactory job, if that is confirmed. There is nothing to prevent a vote being held by the workers up in Churchill Falls to decide on some other union to take over the same agreement. Under the Act 71 in 1968, as I read it, during the two month period immediately proceeding the end of each year of the Term of the Agreement, there can be application made by other unions to replace the unions that are there, they probably have to take over the same agreements, or they would have to take over the same agreements. And, I think, if the Government finds an unsatisfactory job is being done or this House finds that we should encourage the steel workers or whoever it might be to come under that clause, and have a representation vote taken up at Churchill two months before the end of the present year of this agreement to see whether the workers wanted to be represented by a different union or unions. Or if that cannot be done, if the situation continues to be really unsatisfactory that the Government pass an amendment next year, so that the Government can place another union or unions or make some arrangements for other unions that are going to replace them.

MR. SMALLWOOD: The mere threat to do that should work miracles.

MR. CROSBIE: Right.

Well that is all I wanted to say on that particular point. The Premier never said whether there is a study being done on Minimum Wages in connection with women.

MR. SMALLWOOD: We are.

MR. CROSBIE: The economic effect - there is a study underway.

MR. SMALLWOOD: We are studying that.

MR. CROSBIE: And the Government has nothing in principle against the same wages, I understand.

MR. SMALLWOOD: We have nothing in principle, we are very much in favour of it in principle. We are a little bit worried about it pragmatically.

MR. CROSBIE: Right. Now there is one more point that has come up before, the Premier may not be familiar with it probably, that is the question of this man, Ewart Shea. The Minister of Labour I know was looking into this business of Ewart Shea from Glenwood. Now every member of the House has had a letter from Ewart Shea from Glenwood.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: Workman Compensation has to, everybody under the sun has had a letter from Ewart Shea. And this is a man, without going into it too long, who says he was working at Glenwood for Bowaters under very dangerous working conditions, and that he was injured there several times. And in September of last year one evening he quit work when he was nearly struck with some wood from the Mechanical - what is it? The mechanical -

SOME HON. MEMBER: Has he withdrawn that letter now?

MR. CROSBIE: I do not know, I have not heard that he has - Mechanical slasher. Anyway he alleges that -

AN HON MEMBER: Inaudible.

MR. CROSBIE: Because nobody was doing anything about it. Well he has not written to me to that effect yet, I have got a big thick file here.

MR. CROSBIE: Anyway what Mr. Shea elected is that he complained about these working conditions, left his job one night when he was almost struck by a piece of wood from the mechanical slasher. They would not take him back the next day - improvements were made after his employment was terminated. The union will not take up his cause for him, although he had a letter from them earlier on agreeing with his complaints, and saying that they were justified. And Mr. Shea is still out of work, the last letter I had from him was April 18th. The Minister of Labour has stated that he will, if an enough information is made available, grant a magisterial inquiry into to my complaint. Now it is too long in lenght to go into, any more than saying that -

MR. SMALLWOOD: I will bring it to the Minister's attention when he gets back.

MR. CROSBIE: It appears and it might be entirely wrong that Mr. Shea has suffered an injustice, Bowater do not agree that he has, but I wrote Bowaters asking them about it. And they said they are quite justified and as far as they are concerned he can take them to court, and sue and that is all well and good. But for some reason a union will not process his grievance, although he has a letter from the union earlier on, saying that his grievances were justified. His complaints about work were justified.

MR. SMALLWOOD: Is this the Carpenter's Union?

MR. CROSBIE: Loggers Union.

MR. SMALLWOOD: Carpenters.

MR. CROSBIE: Carpenters - It is another example of an area of possible injustice, Mr. Chairman, and I think, the House should do something about.

MR. SMALLWOOD: That is what an ombudsman would go into, is it not?

MR. CROSBIE: But he could not, the Government would not be involved, the ombudsman would not go into this, because the Government is not directly involved in it. So if it could be checked.

MR. SMALLWOOD: I will have it checked.

MR. CROSBIE: And to see what the position is, as far as the Department of Labour is concerned.

MR. SMALLWOOD: A notice has been made, and we will check it.

MR. CROSBIE: Right. Well the only thing there is that they had an earlier letter from the union saying that his complaints about the working conditions are correct. And they will not say why they are not processing his grievances. If that could be checked, Mr. Chairman.

MR. WINSOR: Mr. Chairman, I just want to have one comment to inform the House of our representative up there, Mr. Conway. Mr. Conway is a man, as the Premier said, very familiar with unions, having worked sometime at Grand Falls.

But at Churchill Falls, of course, the number is increasing. First when Mr. Conway went there he could contact everyman on that site in an evening at the cafeteria or tavern. But most of the people who have grievances come to Mr. Conway. And Mr. Conway in turn directs them to the union. And very often, Mr. Chairman, men are reluctant to go to the union. We discovered that, fellows are reluctant to go to the union. But when they get out here of course they say, I have scores and scores of men come to see me giving reasons why they had to leave Churchill Falls. I have always asked them, have you gone to your union? No, it is no use to go to the union. But, Mr. Conway, makes a report every week to us, and a copy goes to the Department of Labour.

On motion 1601 to 1602 carried.

MR. HICKEY: Mr. Chairman, 1611-02 - Mr. Chairman, I intended making a few general comments at the beginning but they have been covered by other hon. members and I decided I would wait until this item came up to discuss a personal case. I do so with some reluctance, because I do not feel that each individual case should be discussed in this House. I do so because I feel I have no other recourse. The gentleman in question has agreed that I could use his name, while I will not, I will pass it on to the proper

MR. HICKEY: authorities. Despite of the fact that he is receipt of assistance, he has agreed that his name be used, but for that reason, Sir, I do not wish to use it. I think he has the right to keep something of that nature private.

It involves a complete injustice to this man, I think, he has been approximately three years or thereabouts attempting to get an answer to his problem. He has never succeeded as yet.

AN UNION MEMBER: Inaudible.

MR. HICKEY: No, it is labour. Just as he was a member of the union as he thought, paid into a union for quite a number of months. He was subsequently informed that he was not a member of that union. He could never find out, and he has not found out to this day why he paid in this money. He is now informed that he cannot join the union, because he is too old. He cannot get a job because he is not a member of that union. So, Mr. Chairman, every way that this man turns there is something against him. I can personally vouch for him to be one of the finest workers there is in this Province. This man has any amount of initiative and courage and determination, because if he did not, he would have quit long ago. He has literally hounded the people in the Department of Labour, not for a job necessarily, but to get an answer, one way or the other. He has been unable to do so.

Mr. Chairman, I have been dealing with this man for something like two years on this matter. I wrote the Minister of Labour, while he is not present, I think, I should point out that the minister, as far as I am concerned at least, did what he could. He passed it on to his deputy and I felt that we would have some clarification at that point. However, such was not the case. The question is still unanswered. The man is still unemployed. He is still in receipt of welfare. There are many jobs around in his trade that he can take. He has worked for almost twelve to fifteen years in this trade.

MR. SMALLWOOD: I will have the matter looked into immediately. I will undertake that now. I will give the hon. gentleman my undertaking that this will be looked into at once.

MR. HICKEY: Very good, but I would like to cover one other aspect of it, and the Premier I hope will look into this with even more determination.

As I said I have known about this matter for two years -

MR. SMALLWOOD: There is another matter now. This is a second matter -

MR. HICKEY: No, it is the same. The same case.

MR. SMALLWOOD: This will be looked into.

MR. HICKEY: I reluctantly bring it up in the House. But what sort of makes me a little irate, Mr. Chairman, the fact that this man cannot see the Deputy Minister of Labour. Cannot see him.

MR. SMALLWOOD: Tell him to come and see me.

MR. HICKEY: He visited the office.

MR. SMALLWOOD: Tell him to come and see me.

MR. HICKEY: Well, Mr. Chairman, the Premier is a much busier man than the Deputy Minister.

MR. SMALLWOOD: Mr. Chairman, that is why I am busier, so many come to see me. Tell him to come and see me.

MR. HICKEY: Fine, I will do that. And maybe we can arrange an appointment for him.

Now one other thing, Sir, his name was recommended to be sent to the Power Commission by the Deputy Minister. His name was given to the Deputy Minister along with another name. I find on checking with the Power Commission that other name, the name of the other man went to the Power Commission but this man's name did not. I think this is pretty darn serious, if public officials are going to treat any member of the public in this kind of way. I think something should be looked into, something should be done about it forthwith.

MR. SMALLWOOD: All right, it will be done.

MR. HICKEY: I would like very much, Sir, for the officials to take this

MR. HICKEY: into account and I have done everything I can to get this man back into his trade. And I would ask the Premier to do anything that he can. I understand there are vacancies at the Power Commission at Duff's, or at least there is one, that he could have had filled and he was denied the opportunity to fill that position.

MR. CHAIRMAN: Shall 1611-02 carry? Carried. Shall 1611-03 carry?

MR. MURPHY: Mr. Chairman, Workmen's Compensation Board, I notice that in a recent letter from the Workmen's Compensation, I note that we have a new appointment to the Board. Is this appointment made by the Premier or anybody, or is it advertised - appointments to the Board?

MR. SMALLWOOD: They are my privilege to make a selection and to recommend my selection to the Cabinet. And the Cabinet's privilege to accept or reject my recommendation, that these Boards, mostly the Premier selects Boards, Deputy Minister's and Boards. Because they are essential part of carrying out the policy of the administration.

MR. MURPHY: The point that I am trying to make here labour, and we are talking about social justice, Churchill Falls etc. Here in the Workmen's Compensation Department we have many competent civil servants who for years have worked with that Department, and when something like this comes up we bring in someone from outside. I can never understand on this thing, because I am sure that the gentleman, with all due respects to him, has no special talents for this job, and as I understand, previously he was appointed to another department within in Government, brought in off the street and given a fairly decent job, Now we find that the vacancy, I think, it was the vacancy left by Mr. John Maddigan, has been created although his actual, I do not know if it is the actual position. But here we have someone taken in from outside and we have many employees, civil servants, I do not know if they are civil servants, but employees of this Board who have given faithful service, and I am just wondering, when we speak of social justice and labour rights and everything else, how there is anybody

MR. MURPHY: in any department, and this is one here that has been brought to my attention, how does anybody ever hope to reach a plateau in the Civil Service where they are there fifteen, sixteen or seventeen years whatever the case might be, and someone is taken in from outside with no talent, I will not say special talent, but I doubt whether he has any talent to deal with this thing, and these other employees are by-passed. I fail to understand it. I have brought it up on many occasions, and I would not help with this one, because I was not even aware of it. until I had some correspondence with ^{the} Workmen's Compensation Board, and I saw this new name on top of the letterhead. And I made a few inquiries and I thought the gentleman was working with the Power Commission, but the gentleman apparently

MR. MURPHY:

apparently he was with the Power Commission and brought in to put in this other job and there was some overtones to it that I do not like. I think it is not conducive to proper labour relations or any other relations within the Civil Service. So if this is going to continue with filling these jobs, I do not see much outlook or much hope for career civil servants, as such, to ever attain any stage of attaining a status and perhaps the money that goes with it, because I am sure that a member of the Board is being paid more than a great many people who are perhaps doing the leg work in the Board and what not. I do not know, it is just a little bit disturbing to me, Mr. Chairman, that this type of thing carries on, because we talk about setting up special legislation for the Civil Service and so on and so forth. And I certainly hope, the quicker it comes the better, but that these gentleman, the NGEA particularly, will take up one of these things which is so vital, of people being hauled off the street and shoved in the key jobs, with much higher salaries. I know if it happened in a lot of companies the same way that unions would bring it up.

So, as I say, I am just a little bit disturbed to see the Civil Service being used for the foisting in of certain people with only certain qualifications, which are not qualifications pertaining to the forms of the duties that go with the job.

MR. CROSBIE: On the Workmen's Compensation Board, Mr. Chairman. There was a question (517) which was answered, about the relationship of the Workmen's Compensation Board with respect to drugs or other medical supplies purchased from drug stores by persons eligible for Workmen's Compensation, and the answer was tabled some time ago. I got a call, Mr. Chairman, some three or four weeks ago, late in the night, from an irate workman who had been injured that day, while he was working, of course, so he is eligible for Workmen's Compensation. He was five hours before he could find a drug store that would supply him with the drugs, on the credit of the Workmen's Compensation Board. He went to two or three drug stores, I forget where eventually he got the drugs. The answer to the question confirms that there have been complaints from time to time by workmen on compensation who are unable to get prescriptions filled.

The answer says, "On contacting our office they have been advised

MR. CROSBIE:

the names of certain drug stores which will fill the prescription and to the best of our knowledge when this has happened we have had no further complaints from the workmen". In other instances the workman has called the Board from the drug store that has refused and on the advise of the Board that the claim has been accepted then the drug store fills the prescription. In the meantime there is a problem and the Board is currently discussing the matter with the Pharmaceutical Association. Now whatever the reason is, Mr. Chairman, drug stores generally claim that they have to wait far too long a time to be paid by the Workmen's Compensation Board for drugs they supply to Workmen's Compensation people or people who are on Workmen's Compensation.

That answer is May 29th, so I wonder if the Workmen's Compensation Board is in the process now of getting this matter cleared up? Because I remember this poor chap was really incensed that he would have to spend four or five hours going around from drug store to drug store before he could find one that would give him the drugs on the credit of the Workmen's Compensation Board. His employer was in a great rage because he had been paying his contributions every year for years and here was this workman when he got injured and could not get these drugs. As a matter of fact I think the man finally had to pay for the drugs himself, if I remember correctly. So could we have some information on that?

MR. SMALLWOOD: I will have it looked into. It makes me angry to hear that any drug store is refusing to fill a prescription because he has to wait a little on the Workmen's Compensation Board for payment. It sounds like an absurd and utterly outrageous position for a druggist to take. Some of them are getting so rich that they can be Lord All Mighty but maybe they will get their claws clipped after a while.

MR. MURPHY: Mr. Chairman, there is just one other question I would like to ask but, in response to the Premier, I think we have to be absolutely fair to druggists or grocers or anything else. I brought it to the attention of the Department of Public Health a few months ago that the druggists and many of them in town particularly and I quoted three or four that were owed sums of \$6,000. over a period of three or four months. Now this is all right. The

MR. MURPHY:

Premier can say, "Look, you cannot refuse drugs" but these same people pay a social security assessment to the Government and had to have their social assessment in by the 20th of next month or they would have had to pay interest on it.

MR. SMALLWOOD: How many firms in Newfoundland wait two, three, four, five months for payment, for God's sake?

MR. MURPHY: How many?

MR. SMALLWOOD: Yes, how many? Everyone.

MR. MURPHY: Not too many.

MR. SMALLWOOD: Every firm in this Province.

MR. MURPHY: Not too many today, even with Water Street today and you will see at the end of thirty days there is a carrying charge today which I think is absolutely unjust.

MR. SMALLWOOD: Go and look at their books.

MR. MURPHY: If we are in business let us do business. Do not let someone else support us, let us be a self-operating business.

MR. SMALLWOOD: That makes me sick, that really makes me sick.

MR. MURPHY: It may make the Premier sick.

MR. SMALLWOOD: To hear a druggist refusing to fill orders from the Workmen's Compensation Board.

MR. MURPHY: The same thing happened to the grocers last year carrying the great Department of Welfare for months and months and they said, "Look we do not want anymore" their margin was so small. The druggist today operate, I think, on a fifteen per-cent on cost to the Government. They do not charge this great prices - Ah, the Premier may smile. Let him check his Public Health Department.

MR. SMALLWOOD: Fifteen per-cent.

MR. MURPHY: Let him check his Public Health Department, he will see. But the point I was going to speak on was Workmen's Compensation and I had a case the other day and I gave the hon. Minister, who is not in the House, the correspondence on it and this was people that were injured. Now I had a case of a truck driver at the St. John's Municipal Council, working with the council

MR. MURPHY:

for twenty-five years, injured his back and went on Workmen's Compensation and they gave him a fair deal. His average wages were between \$80.00 and \$100.00 a week depending on overtime. Allright he was being treated there for so long and then the doctor says, "All right, we can no longer carry you on Workmen's Compensation, in our opinion you can work but you can only do light work." Now here is a truck driver, which is heavy work, loading and unloading trucks, and he can only do light work. So he goes back to Council and says, "Here is the recommendation" and Council said, "Boy, too bad! There is no light work here we can give you. You can come back as a truck driver" So they offered him, I think it was something like \$40.00 or \$45.00 a week pension, take a pension.

Now here is a gentleman with six children, one of them in University, \$45.00 a week. I do not know what the answer is to it. I must say that Mr. Brace, the Rehabilitation Officer with Workmen's Compensation, is trying to place this gentleman but it is a very difficult job. I am wondering is there any answer to this? Is there any compulsion on a firm and in this case to the St. John's City Council employing someone that is injured, to provide something for him, at least to give him a decent wage to live on, as he was injured on the job and the Workmen's Compensation did their duty? They carried out and paid him after examination. But once you reach that stage where the doctor says, "You are no longer disabled as under the Workmen's Compensation Board" where does he go from there? Is there any moral, legal responsibility on the employer to carry that man on at a living wage, not \$40.00 or \$45.00 a week? I am just wondering. Actually the Minister is not here but I gave him the correspondence, He said he would look into it and he has been very co-operative on it.

But I imagine this is one of many cases that the Workmen's Compensation Board is dealing with, but to me it seems pretty sad when this young man, who was in his early fifties, and as I say, with six children and one of them in University, has to now try to exist or survive on \$45.00 a week, through no fault of his own, through no fault possibly of the Workmen's Compensation Board. But can that Board go any farther, after this letter comes from the doctor and

MR. MURPHY:

say, "This man is no longer eligible for his full Workmen's Compensation?"

MR. SMALLWOOD: If the hon. gentleman will send me his name I will have it looked into.

MR. MURPHY: The hon. Minister has all the correspondence but I am just wondering if there is any new development on it?

MR. SMALLWOOD: I have no new development on it, no.

MR. MURPHY: The hon. Minister is looking into it for me.

On motion 1611(03) carried.

1611(04) Conciliation Board:

MR. MURPHY: Conciliation Board, is this a permanently established Board or is this a vote to set up a Conciliation Board?

MR. SMALLWOOD: No, it is set up for each individual case.

MR. MURPHY: Boards in other words, I vote for Boards.

MR. SMALLWOOD: Right.

On motion 1611(04) carried.

1611(05) Industrial Enquiry:

MR. SMALLWOOD: What is Industrial Enquiry? To investigate and report to the Minister on industrial matters or on existing or anticipated disputes or differences between employers and employees. The terms of reference are set out in each individual case.

On motion 1611(05) carried.

1611(06) Memorial University:

MR. SMALLWOOD: What is this total vote here, I notice it is \$4,900., is this a labour class or something at University?

MR. CROSBIE: It is the history of the labour movement.

MR. SMALLWOOD: Oh that is what it is, is it?

MR. CROSBIE: I do not know.

AN HON. MEMBER: I do not think so.

MR. SMALLWOOD: Is it, is that what it is? It is the balance that we owe.

MR. CROSBIE: For the history of the labour movement, is it?

MR. SMALLWOOD: Yes.

On motion 1611(06) carried.

1611(07) Labour College of Canada:

MR. MURPHY: This Labour College of Canada, is this where Ministers go and exchange ideas and things like that?

MR. SMALLWOOD: Well, it is operated by the CLC and eight other Provinces and the Federal Government have contributed and we are.

On motion 1611(07) carried.

On motion 1612(01) carried, 1612(02)(01) carried, (02) carried, (03) carried, (04) carried, (05) carried. 1612(03) carried, 1612(03)(01) carried, (02) carried, (03) carried.

1613(01) Apprenticeship:

MR. MURPHY: On apprenticeship, is this work in conjunction with, is this Mr. May's?

MR. SMALLWOOD: No, Mr. May, of course, is vocational but this apprenticeship is done in conjunction with him and with his program.

MR. MURPHY: I can never seem to get the two of them unravelled. We have vocational training then we have apprenticeship training

On motion 1613(01) carried, 1613(02)(01) carried, (02) carried, (03) carried, 1613(03)(01) carried, (02) carried,

1613(03)(03) Instruction Costs and Supplies:

MR. MURPHY: Instruction, where does this take place, at the College of Trades and Technology?

MR. SMALLWOOD: In the different schools, yes. In the different Vocational Trade Schools.

On motion 1613(03)(03) carried.

On motion 1614(01)-

MR. CROSBIE: Which one are we on now, Mr. Chairman, Minimum Wage is it?

MR. CHAIRMAN: 1614(01)

MR. CROSBIE: I just want to ask there, Mr. Chairman, I notice that in the Minimum Wage Branch there is an increase in employees from three to six this year, does that mean there is going to be greater activity?

MR. SMALLWOOD: Yes, we are getting to be more determined to enforce the law, more enquires, more cases.

MR. MURPHY: How closely does this Department work with the Social Security Inspectors who go in and possibly do the same job, they examine books, tax and so on, is there a coming together of the two groups?

MR. SMALLWOOD: I do not know but I would doubt it. I do not think so.

MR. MURPHY: Because they perform much the same function of going through books, one collects tax and in the meanwhile they examine payrolls and so on and so forth, I presume. I am just wondering if there would be -

MR. SMALLWOOD: There might. It is a good thought.

On motion 1614(01) carried, 1614(02)(01) carried, (02) carried, (03) carried, (04) carried.

On motion 1615(01) carried, 1615(02)(01) carried, (02) carried.

On motion 1616(01) carried, 1616(02)(01) carried, (02) carried, (03) carried.

MR. JONES: Mr. Chairman, on Block Provision for salary increases and new posts, I move that the old title of \$16,200. be changed to read \$29,200. for an increase of \$13,000. and that the total for the Department of Labour be changed from \$381,000. as it reads at present to \$394,000. I take it, Mr. Chairman, that there have been no change in the various sub-heads on the way through.

MR. CROSBIE: The Premier is going to get us certain information which you will give the House when you get it, is that -?

MR. SMALLWOOD: I have asked the Administrative Officer to make notes of it and get me the information so that I can pass it on to the Committee.

On motion Block Provision, as amended, carried.

On motion total Department of Labour, as amended, carried.

DEPARTMENT OF SUPPLY AND SERVICES:

MR. SMALLWOOD: Now the purpose of calling these two relatively speaking lighter Departments is to leave the two heavier ones, Highways and Community and Social Development for the last.

1801(01):

MR. CROSBIE: Mr. Chairman, in connection with Supply and Services there have been a number of questions tabled from time to time but I do not know if the

MR. CROSBIE:

Minister is now in a position to answer them. For example, there is question (418) in connection with the financial year that commenced April 1st, 1969. What was the total cost to the Government in connection with the operation of Government-owned aircraft, who operated these aircraft for the Government and for what purposes were such aircraft used? (2) Apart from the operation of Government-owned aircraft during that same year, what was the cost to the Government in connection with all other aircraft transportation activities of the Government, for what purposes were such aircraft services used by the Government, and who provided such aircraft services? (3) Does the Government own any spare parts in connection with aircraft owned by the Government and if so, what is the value of all spare parts owned by the Government? That was one question along those lines but there are a number of questions that have been tabled.

(414) - (1) What was the cost to the Government of the Twin Otter Executive aircraft and all engines, equipment and spare parts used in connection therewith? (2) During the last financial year what was the cost to the Government for operating the Twin Otter Executive aircraft? (3) In addition to the Twin Otter how many other aircraft are owned by the Government outlining the type and make of aircraft, the purchase price, and outlining the purposes for which the aircraft are used? Now there are a large number of questions tabled asking for this kind of information both by the official Opposition and by ourselves, the Liberal Reform group, none of which have been answered yet. So one would assume that the Minister is going to answer them all now when his estimates are before us, at least one hopes that that is so and he could let us know before we leave this item.

There is another question which I do not think is answered yet in Supply generally (391) - Apart from purchases of equipment, goods or supplies purchased by the Department of Supply for departments of Government, list any agencies of the Government, public institution or institutions or agencies of any description for which the Department of Supply acts in the purchase of equipment, goods or supplies? As far as I know that one is not answered either. So it is a simple question, who else does the Department act for

MR. CROSBIE:

apart from Government departments, what institutions or agencies of Government does the Department act for in purchasing equipment, goods or supplies?

MR. NOLAN: The answer to that is none.

MR. CROSBIE: The answer is none, is it? You just act for the Departments of Government, you do not act for the Workmen's Compensation Board or -?

MR. NOLAN: Yes, we do on consulting and things like that but the only honest answer I could give on that really is none.

MR. CROSBIE: There is another interesting question there about motor vehicles, I do not have the number, (1) During the last financial year what motor vehicles owned by the Government were loaned to Cabinet Ministers if so, to which Cabinet Ministers and for what period or periods of time during the year? (2) If motor vehicles are so loaned who meets the operating expenses? (3) Were any motor vehicles owned by the Government loaned to or used by senior Government officials from the rank of Assistant Deputy Minister and up and, if so, to what senior officials and for what periods of time during the year? What was the mileage travelled by each of such officials in such Government motor vehicles during the year?

MR. NOLAN: With your permission, Mr. Chairman, I did refer that question, as I recall, to the Minister of Health who as you know was responsible and is responsible even up to this moment, until it is officially transferred to the Department of Supply and Services, and since this motor vehicle division is under the Department of Health I have ask him and he has agreed and he may have the answers already, for that matter, to table in this House in answer to the question that is posed by my hon. friend opposite.

MR. CROSBIE: Does the Minister have any information now on these aircraft costs and so on for us this morning?

MR. NOLAN: We have, with your permission, Mr. Chairman, the answers I would hope to the questions that are coming up from the Department. We are hoping to contact the people concerned so we can get this information and in that way I will be in a position to provide the information to the hon. member and, of course, also to this House. I wonder if it would be in order for me at this time, Mr. Chairman, to table a booklet that I have here which is quite

MR. NOLAN:

substantial in volume because it is for the use of the staff in the Department of Supply. Actually we have been working on this for quite a number of months and very hard indeed in preparing, but what we have is written procedures which will clearly detail our new purchasing practices and they are designed for the improvement of the system. We have many grey areas in the Department of Supply. In the former system, I do not think they were ever fully defined so that the operating staff, such as our buyers, were completely aware of the proper way of processing say requisitions, the examination of tenders, the awarding of purchase orders and so on. You are probably all aware that until now no written procedures existed for our purchasing practices, which as I mentioned earlier, I believe in this House, were based solely on top-of-the-head knowledge and oral instructions, which often change without explanation.

Now this written manual that I would like to table is not the ultimate in protection by any means and it will be improved and amended as and when new ideas and more effective methods become known to us. There are quite a number of innovations in this manual, which are soon to be implemented, and new forms are now being designed, I should inform the House, which will contain certain stated conditions which have been developed to ensure that Government is receiving a fair price from its suppliers. One of three contractual conditions will require a certificate that the price offered to Government is not in excess of the price offered to the suppliers' most favoured customer for similar type services or goods etc. I feel sure that the hon. members of the House will be very pleased with the proposed procedures and will welcome their implementation.

And with your permission, Mr. Chairman, I would like to table this information for the information of hon. members.

Before continuing on, incidentally, with our estimates for the Department, I would like to just give a brief outline, with your permission, Mr. Chairman, of the operations of the Department and my proposals for the implementation of standard purchasing procedures that I referred to. The Department of Supply and Services, as it is now known, is the equivalent of a fairly substantial business operation with about \$16. million, but what you must bear in mind is

MR. NOLAN:

the fact that in the last year or two you have had certain boards, hospitals and so on who have set up their own corporations and as a result they are doing their own purchasing. The Department now processes about 600 forms every day or 12,000 forms every month with an estimated total of 140,000 forms during the 70-71 fiscal year or financial and these 138,000 forms will fall into three main classifications. You have 24,000 requisitions from departments, there are 72,000 tenders to suppliers and 42,000 purchase orders. The new purchasing procedures, which are in the process of being implemented, are contained in the manual which I have now tabled and a summary of the procedures is being prepared for distribution to all firms and persons who are doing business with the Government, for their information and guidance, and I would hope that this will be of some assistance to them.

In this connection I would like to direct particular attention to our new practice of supplying unsuccessful tenderers with a copy of the actual order which was issued to the successful tenderers. Now this is something, to the best of my knowledge, this is the first time it has ever been done and I would hope that the House would welcome this new innovation. This action, I think, will not be taken automatically but will be instituted immediately upon the receipt of a request in writing from the unsuccessful tenderer. I think this is important. I believe the hon. Leader of the Opposition was absent when I mentioned that and just for his information I would like to say again that when a supplier is not successful in being awarded a tender in the Department of Supply, upon a written request, he will be forwarded a copy of the successful tenderer containing all the necessary information. And as I stated, this is something that has not been in force heretofore and I would hope that it would be helpful to the people doing business with the Government. The request should be addressed to the personal attention of the Deputy Minister of Supply and we would be more than happy to provide the necessary information. It is my opinion that this will be a help.

Now we have had consultations, as I indicated earlier, with representatives of various departments of the Government of Canada who have assured me that you cannot have uniformity without guide lines and accordingly

MR. NOLAN:

the new procedures manual that I have just tabled has been developed over the past several months with their assistance and under my authority. It will take a year or more, I think, for the Department to fully implement all the proposals but already substantial savings have been realized by our new policies of bulk buying, with the purchase of acceptable substitutes and the standardization of product needs.

An example of bulk buying, if I may, Mr. Chairman, would be the consolidation say of tire purchases, for example is one that comes to mind, for the heavy equipment used by the Department of Highways. As most of the hon. members know, that Department operates four main depots throughout the Province and in one particular case my Department co-operated with the Department of Highways for the consolidation of three-quarters aggregating about 430 tires, I believe, into one order for 430 tires with resulting savings of about \$2,300 on this one purchase alone, We bought them all together.

An example of purchasing an acceptable substitute would be the purchase of microscopes for the Department of Education. In this particular case my Department recommended the purchase of less costly units which could be suitable for their needs and our recommendation in this instance was accepted with a savings over \$1,100. on this one purchase.

An example of standardization of products needs would be the purchase for example of plastic bags for waste disposal. In reviewing requests for this item my Department ascertained that only ^{one} department was using a standard size and that other departments were requisitioning special sizes which required the manufacturer to produce special runs which obviously were much more expensive. So by liaison, in this case with the Departments concern, the use of standard sizes was introduced and by virtue of a larger volume which was created the price of the product dropped from \$57.20 per one thousand to \$24.55 per one thousand. It will be the future policy of the department to devote all of our efforts to find other areas of purchasing operations where similar savings are likely to be realized.

On motion 1801(01) carried, 1801(02)(01) carried, (02) carried, (03) carried, 1802(01) carried, 1802(02)(01) carried, (02) carried, 1802(09)(02)

carried, 1803(01) carried, 1803(02)(01) carried, (02) carried,

1803(03)(01):

MR. MURPHY: Perhaps some of these forms that are being sent to prospective tenderers, there are quite a number of items on these forms and some very intimate information must be supplied to the department to make it possible to understand what the value of your stock was at the end of the year and this type of thing. What is the idea of this? I mean after all if I want to tender on something and they say to me, "How much did you sell last year and how much have we got in stock this year?" I do not think that is the business of the Government what my stock was last year at the end of the year and what my inventory was and so on and so forth.

MR. NOLAN: With respect, Mr. Chairman, if you are proposing or anyone is proposing to do business with the Government and if they are supplying a product they have to provide services, they have to have the personnel, they have to have the stocks readily available to provide the services that are demanded by the Departments concerned. It is for this reason that this form, the hon. Leader of the Opposition mentioned, is required

Mr. Nolan;

if the department were suspicious of the fact that we were not getting the best prices from the firms concerned that the Government would do business with, On the Federal scene what they would do is send in auditors and if you were not prepared to make that information available, then you simply would be removed from their tender lists. We certainly have not gone that far. I believe it is a little more specific though that there may be one or two items in that particular paper forwarded to the firms concerned that are, at the moment, causing the hon. Leader of the Opposition some concern. I did talk to somebody in his office recently on that and referred them to my deputy minister.

MR. MURPHY: I cannot understand the minister's statement. I forget how he worded, but you call for a tender, and I tender so much money and then he says he investigates to see should I tender cheaper. That is rather an absurd statement to make.

MR. NOLAN: I am simply stating, Mr. Chairman, I did not say what we were doing. I said what would be required if you were dealing with the Federal Government and that is that if your markup is such that the department is not satisfied, they have in cases sent in auditors to the firm concerned. That is their practise.

MR. MURPHY: After, open tenders were called.

MR. NOLAN: They have often done it yes.

MR. MURPHY: I mean I can understand this Government, perhaps, in the past may not have been too careful with open tenders and opening in public. They might check on prices but if you come out and ask for a tender, well I imagine that there would be more than one person asked to tender more than two, three, four, five, six possibly.

MR. NOLAN: In Nova Scotia it would not be more than ten. Here it is up to fifty or more.

MR. MURPHY: I think everybody has a right to talk tender, that is in business.

Mr. Murphy.

If I am handling for convenience..

MR. SMALLWOOD: If he is not on the tender list.

MR. MURPHY: Why are they not on the tender list. This is what I cannot figure out about it.

MR. NOLAN: This is the easiest place in the world to get on a tender list, Mr. Chairman, and I resent the implication that the hon. Leader of the Opposition - all one has to do is simply write a request to the department concerned - this is not my policy. It has been in effect for years and you are put on the tender list. You cannot do this in other provinces that I know of. Nova Scotia being one.

MR. MURPHY: You are not put on the tender list. Let us face facts.

MR. NOLAN: You are.

MR. MURPHY: If I wanted to put three people on the tender list that is it.

MR. NOLAN: Right.

MR. MURPHY: But if I advertise for public tenders, everybody that can read or hear can tender. Now I am not talking about a \$50 or \$60 - I am talking about things that run into thousands of dollars, public tenders called for it, not send out tenders to five people that I know..

MR. NOLAN: We do not send out..

MR. MURPHY: Well I will not know that. How do I know? How do the public know? How do the public know?

MR. SMALLWOOD: He is not saying it.

MR. NOLAN: I have said it, you know.

MR. MURPHY: The minister said it. We have heard lots of things said, but is it actually...

MR. SMALLWOOD: Is the hon. gentleman doubting a minister's word?

MR. MURPHY: I am not doubting anybody. I am just speaking facts..

MR. SMALLWOOD: He is accepting the word.

MR. MURPHY: I am just speaking factual facts, that a public tender is..

MR. SMALLWOOD: That is a fact! That is a fact!

MR. MURPHY: That is a fact that the minister will send out tenders.

MR. SMALLWOOD: Right.

MR. MURPHY: Tender forms.

MR. SMALLWOOD: Yes.

MR. MURPHY: I will accept that, but I am just saying would the minister send out tender forms to three, four, five, six of his friends. Is this not something that could possibly happen? I might be the biggest supplier and not receive a tender form.

MR. NOLAN: That does not happen.

MR. MURPHY: I will take your word it does not. I will take the minister's word that it does not happen.

MR. NOLAN: That is good of you.

MR. SMALLWOOD: That is very kind.

MR. MURPHY: But there will always be the element of doubt that I can ask two people for tenders and the other seventy or eighty do not know that tenders are being called. Could that not actually happen?

MR. NOLAN: No.

MR. MURPHY: It could not happen.

MR. NOLAN: How could it happen, Mr. Chairman, if in fact the procedure of the department is for any firm, Tory or otherwise. It has been standard for years and years and years in the department. It is nothing new. It is not peculiar since I have been there and if you want to get on a tender list, you simply write in, Mr. Chairman, and the tenders go out to you. As a matter of fact, if a criticism is necessary what has happened is that it has been abused by the fact that every man and his dog has gotten on the tender list, and I know some instances where tenders have gone out to people for months and months and years and years, and they have not even tendered. This is the real scandal if one wants to know, to my mind the abuse in this case.

MR. MURPHY: I do not see any scandal. I do not think there is any great cause to get upset, if a tender is placed in the paper like the St. John's Municipal Council does. It advertises tenders for a different item. Everybody that sees this tender has a right to tender for it - tender for it. What is wrong with that?

MR. SMALLWOOD: So it is so where tendering is asked for by public advertisement, anybody may tender, but a large proportion of the purchases are made on tenders sent out in the mail to those on the tender list - as many as fifty different firms and more.

MR. MURPHY: Mr. Chairman, there is the room for criticism. Tenders are sent out from the department to whom? Everybody interested.

MR. SMALLWOOD: Yes, everybody on the list.

MR. MURPHY: You might take the minister's word for it, but I am saying this:

MR. SMALLWOOD: The minister does not send them out.

MR. MURPHY: The great criticism is that tenders are not called and open in public. Now how difficult is it to do these things, and I am not referring to a small item of \$40 or \$50. I know there was a certain supplier of a product here a few years ago, and he tendered he told me at cost for different items, and he was in the same business as another company that got every bit of that particular type of business. Now could I persuade him that tenders were awarded on price, when he tendered at actual cost?

MR. NOLAN: Mr. Chairman, the hon. Leader of the Opposition heard me describe not more than five minutes ago a procedure in the Department of Supply whereby, if fifty people tender on something or a hundred and fifty, and they are unsuccessful, all they have to do now is to write to the Deputy Minister of Supply, ask for a copy of the successful tenderer, which I know of no other province in Canada where this is done and it will be mailed to you on written request. Now how can the hon. member

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object to that?

MR. MURPHY: That is the best news I have heard in a long, long while. I think it is very practical, because only five months ago, I had occasion - someone phoned me and said he did not think that - they tendered on something, and they thought they should have gotten it. I phoned the minister's department. I asked several officials, and they were not permitted to disclose to me who the successful tender was or what price it was.

Now we have the situation where all this uncertainty, all this doubt can be avoided. If I am not successful, I will write to the deputy minister and he will write me back that the order was placed with so and so and the unit price it was. Am I right?

MR. NOLAN: Exactly.

MR. MURPHY: Well this answers a lot of problems. I thank the hon. minister.

MR. CHAIRMAN: Shall 03-01 carry? Carried. Shall 02 carry? Carried. Shall 03 carry?

MR. CROSBIE: On 03, Mr. Chairman, advertising - \$65,000.

Would this cover all advertising that the Government do in newspapers in the Province or is this just advertising by the Department of Supply alone? I presume this is all newspaper advertising. Tender calls and so on.

MR. NOLAN: For the most part no. I should - the information is not simply tender calls. It would be advertisements for the different departments concerned depending on what they would need to advertise for. It would also include the tender calls that the hon. member mentioned but not simply that. It is for all the departments concerned. Yes.

MR. CROSBIE: It is all newspaper advertising.

MR. NOLAN: Yes, it is also for news staff.

MR. MURPHY: It is not for Tourist Development?

MR. NOLAN: No.

MR. SMALLWOOD: No.

MR. CHAIRMAN: Shall 03 carry? Carried. Shall 04 carry? Carried.
Shall 05 carry?

MR. CROSBIE: On 05, Mr. Chairman, last year according to the revised estimates, \$378,000 was spent on office furniture. The year before, according to the Public Accounts, there was \$120,489 actually spent on office furniture. This year the vote is only \$23,400.

MR. SMALLWOOD: We are going to make some of them sit on the floor now instead of giving them desks and chairs. We are going to give them little cheap cushions. They can just sit down like taylor's and do their work that way.

MR. NOLAN: I wonder if I could offer a word of explanation on that..

MR. CROSBIE: There was a heavy office furniture buy last year, was there?

MR. SMALLWOOD: Like a goul room. We are going to have a lot of goul rooms.

MR. NOLAN: Well the provision, as the hon. member pointed out, of \$23,400 for the current year, represents a very drastic cut, as he said over \$350,000 as compared to the estimates for 1969, 1970. However, the main part of the reduction is due to payments totalling \$278,000. This was in respect of the Sir Richard Squires Building at Corner Brook and the Corner Brook Arts and Culture Centre. Nevertheless, the substantial savings of approximately \$40,000 are still expected this year in comparison to a normal year's purchase. Again we expect to achieve the savings by insisting that the department purchase only the most necessary items and our inventory records will help us in determining essentiality and possibly identify areas of oversupply which could lend themselves to transfer action to meet new demands. What we are doing in effect is going into inventory far more extensively than we ever had before in Government. My own feeling is that often times we are not totally familiar with

Mr. Nolan

what it is we possess in the way of furniture of this type and the other and we are making a good start on that. We have done quite a bit so far.

MR. MURPHY: There must be quite a bit of wear on the furniture in the Cabinet Room in the Sir Richard Squires Building. I guess there will be a big vote next year to replace that.

MR. SMALLWOOD: Yes, it is getting worn out. We just moved some old furniture out and put into that Cabinet Room - no new furniture - all old.

MR. CROSBIE: Is there going to be a new cabinet to go into it. That is the question. We have the new furniture.

MR. CHAIRMAN. 35 carried.

MR. CROSBIE: On 06 - this has nothing with the Health Department - these delivery expenses - nothing to do with babies?

MR. CHAIRMAN: Shall 1804-01 carry?

MR. CROSBIE: On 1804-01, Mr. Chairman, is the heading: Aircraft Operation, which have now been taken over by the Department of Supply and Services. In other words, as I understand it, all the aircraft operations of the Government are now centred in the Department of Supply and Services, which is a move in the right direction because they should certainly be under one department. That would seem to be the logical department to do it. So that from now on all aircraft operations will be governed by the Department of Supply and Services rather than Health or Mines, Agriculture and Resources or the Premier's Office or anywhere else.

Now in connection with aircraft operations. The Government sometime this winter asked for proposals with reference to the Government assuming control of all Government aircraft and I presume that the Government invited, I think, there was an answer to a question tabled, invited some four or five companies who were in the aircraft business to make proposals

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to the Government in connection with the Government proposing to take over, itself - the operation by itself of all Government aircraft. Now there were, Mr. Chairman, certain Government aircraft owned by the Government, which were operated by Eastern Provincial Airways, 1963 Ltd and had been operated by them for a number of years, on behalf of the Government, under some kind of an arrangement with the Government. These proposals were called and the minister, in answering the questions in the House, has told us that the successful - that the company who submitted the successful proposal to operate aircraft for the Government, for a three year period, to help the Government take over control of all its aircraft itself, was Atlantic Aviation Company of Canada Ltd, which is a Canadian Company incorporated under the Federal Companies Act, December, 1966.

The minister in answering Question 416 further told us that Atlantic Aviation Company of Canada Ltd is controlled in the United States of America. It is a subsidiary of a company incorporated in Wellington, Delaware. When asked what persons, firms or corporations made proposals to the Government and for what reasons was the decision made to accept the proposal or award a contract to Atlantic Aviation, the minister said that among those who had made proposals were EPA, Atlantic Aviation, Field Aviation, Kenting Aviation and I believe Newfoundland Air Transport. And that the lowest cost proposal was the one accepted. This presumably being Atlantic Aviation Company of Canada Ltd.

Now, Mr. Chairman, that may or may not be so. The minister says it was the lowest cost proposal. I do not know if there is any way of deciding what was the lowest cost proposal in such an indefinite matter as this particular one. But it has been the policy of the Government, we have been told time after time, Mr. Chairman, for the last twenty-one years, it is the policy of the Government to favour companies owned and

Mr. Crosbie.

operated and located in Newfoundland, over any mainland or foreign company, when it comes to purchasing supplies, awarding contracts. In fact, I think the policy is that if the price difference is not in excess of ten per cent (and in some cases it has been fifteen per cent) the Newfoundland owned company gets the preference. Now I would like to have answered, before the minister is finished with his estimates, whether or not that principle was carried into operation with respect to the operation of Government aircraft? Was the Atlantic Aviation of Canada Ltd proposal ten to fifteen per cent better, less costly to the Government than the proposal of Eastern Provincial Airways? And the other, well there was another Newfoundland company tender. Kenting is a Canadian company - a mainland company. Field Aviation is a mainland company. Atlantic is also, controlled in the U.S. EPA and Newfoundland Air Transport were the only two local companies that were involved in this matter. And EPA, Mr. Chairman, for a number of years, I do not know how long - well ever since the Government started an aircraft operation had operated these aircrafts for the Government. It would certainly be very familiar.

Now when the minister replies, I would like for him to advise us, was this Atlantic Aviation proposal ten to fifteen per cent less costly to the Government than EPA or Newfoundland Air Transport? If it was not, then why was Atlantic Aviation given this arrangement whatever it is - whatever the arrangement is? Eastern Provincial Airways, Mr. Chairman - it is near to 1 p.m. so I will adjourn and commence again at 3 p.m.

MR. CHAIRMAN: It now being 1 pm. I leave the Chair until 3 p.m.



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VERBATIM REPORT

MONDAY, JUNE 15, 1970

SPEAKER: THE HONOURABLE GEORGE W. CLARKE

The House resumed at 3:00 P.M.

MR. CHAIRMAN: Order, Please!

Shall 1804-01 carry?

MR. CROSBIE: I was speaking on this, Mr. Chairman, when we adjourned. I was asking the minister if he would explain for the House what the position is on the aircraft operations of the Government. I have reminded the House that during the year the Government had asked for proposals from four or five companies that are in the aircraft operating business, two of whom were companies owned and operated in Newfoundland, and three which were mainland companies. And the Government had asked for proposals with respect to the operation of Government aircraft. Two of the companies that submitted proposals were E.P.A. and another was Newfoundland Air Transport which are owned and operated in Newfoundland, the other three were Kenting Aviation, Fielding Aviation, and Atlantic Aviation. This is from the paper of April 2nd. 1970, the minister announced that effective April 1st. the ownership, operation and maintenance of all Government aircraft would come under the direct control of the Department of Supply and Services. Plans called for the rehabilitation of the Government hanger at St. John's Airport is the base for maintenance and servicing of Government aircraft. One question that arises there would be the cost of that rehabilitation. And then it went on to say that Atlantic Aviation of Canada Limited will become the Government's consulting and managing agent in the process of integrating its air services fully into Government operation over the next three years; says the hon. member for St. John's South.

Atlantic Aviation is a company headed by a former resident of St. John's, Victor Bennett. A former resident is quite correct, because Mr. Bennett has not been a resident of St. John's for at least twenty or thirty years. Atlantic Aviation of Canada Limited is a subsidiary of an American firm, it is owned and controlled by American interests.

MR. CROSBIE: Now there were proposals called in connection with the Government taking over its own operation and maintenance of aircraft. Not tenders, but the Government asked for proposals. The one accepted was this one from Atlantic Aviation of Canada Limited.

I pointed out before lunch, Mr. Chairman, that it has been the Government's policy since 1949, that it will award, so it says, contracts to firms owned, controlled and operated in Newfoundland, the Government will give a ten to fifteen percent.

MR. SMALLWOOD: No, never. Would the hon. gentleman like to know exactly what is the rule?

The rule was made just after the coming of Confederation and it consists of an Order-in-Council, which has never been changed. When Confederation came the Government of Canada made a rule that for, I think, the first two years of Confederation they, in purchasing any goods whatsoever for use in the new Province of Newfoundland, would give a preference, I think, it was ten percent on any such goods, if these goods were the product of Newfoundland. Now that means this, that in the course of the years the Government of Canada would be making certain purchases of goods for use in Newfoundland. And if those goods were produced in Newfoundland and did not cost more than ten percent over the price at which the same goods could be got outside Newfoundland, then the order would be placed on it for the Newfoundland goods, for the first two years of Confederation. The Newfoundland Government passed an Order-in-Council raising the amount from ten percent to fifteen percent and putting no time limit on it. The Canadian order was for two years, our order is still the rule. And it applies only to goods manufactured in the Province. When we purchase anything for the use of the Newfoundland Government, we will pay up to fifteen percent more for those goods, if they are produced in Newfoundland than we would if the goods were produced outside of Newfoundland. And it

MR. SMALLWOOD: refers entirely to goods produced.

AN HON. MEMBER: Inaudible.

MR. SMALLWOOD: No, no goods.

The Order-in-Council made referred only to goods. That is all goods manufactured within the Province, vegetables - well there maybe a million differences. But the order applied some twenty-one years ago, or twenty and three-quarter-years ago, applied only to goods such as vegetables, food stuffs, fish, pulp and paper, lumber, boots and shoes, or any other products actually manufactured within this Province. If they could be sold to the Government at a price not over fifteen percent of what they would cost, the same goods, if imported, then the order has to be given to the local goods. The hon. gentleman who sits to the hon. gentleman's right, the hon. the member for Bonavista North, is very familiar with this, and he acted on it dozens and dozens of times, if not hundreds, he giving the preference to goods produced within the Province under that Order-in-Council.

MR. CROSBIE: Well, Mr. Chairman, if there is a distinction between goods and services, let us say that it is a wholly ridiculous distinction. What is the difference in principle between the Government buying potatoes or milk or anything else that is produced here locally in Newfoundland, and allowing a fifteen percent differential, and the Government employing or purchasing services that are rendered in Newfoundland, wholly within Newfoundland, and wholly owned within Newfoundland, as compared to services rendered by some outside outfit?

Now if in these proposals E.P.A. was ten or fifteen percent higher, and I doubt that very much, higher than Allied Aviation of Canada Limited,

AN HON. MEMBER: Atlantic Aviation of Canada Limited.

MR. CROSBIE: Atlantic Aviation of Canada Limited, if it were perchance

MR. CROSBIE: higher, I say that if the Government's policy of purchasing goods and allowing a ten or fifteen percent differential is justified, then certainly the same thing would be more than justified with respect to services. If one company is owned, controlled in the United States of America, not even in Canada, and other company is owned and controlled and operated and managed within Newfoundland, surely if the policy is justified to show a preference in a purchase of goods, the policy should equally well apply to the purchase of services. Be that as it may, I do not know whether the minister might explain, how the proposal of Atlantic Aviation of Canada Limited was cheaper or less expensive than that of E.P.A. or Newfoundland Air Transport. So I will wait for the minister to deal with that. If the same policy applied, as it should, if it is justified for the purchase of goods, it should apply to the purchase of services. So presumably the minister would explain how these proposals differ, and by how much.

Now this is not a simple uncomplicated matter. By the way, Mr. Chairman, let me make it quite clear, if in the event that I need to, that I have no connection with E.P.A. or any associated company, except I am related by blood to a person who does have a large ownership in E.P.A.

MR. SMALLWOOD: If the hon. gentleman would allow me, would he permit me to say, that the Newfoundland Government have a far deeper interest, both financially and morally and sentimentally in E.P.A. than the hon. gentleman has. E.P.A. is virtually what this Government have made it, and most of the capital in it came from this Government and we have a profound interest in E.P.A. We regard E.P.A. as the chosen instrument of this Government. The hon. gentleman, merely because he is related by blood to some of the owners of E.P.A., must not pride himself that he has one-tenth as much concern about E.P.A. as we have. It is our baby, not his. It is ours.

MR. CROSBIE: If it is the hon. Premier's baby, he is giving it quite a slap in the pants,

MR. SMALLWOOD: No he is not.

MR. CROSBIE: In the last few months, that is what he has. That is what the hon. the Premier has done. I do not agree, by the way, Mr. Chairman, the Government, yes should have just as great an interest in E.P.A. as anybody else in the Province. The Government has not got capital invested in it. Let us make that position quite clear.

MR. SMALLWOOD: No, we have lend money to it.

MR. CROSBIE: No, the Government guaranteed a bond issue for E.P.A.

MR. SMALLWOOD: Now credit is lend to it.

MR. CROSBIE: Exactly, the Government have guaranteed a bond issue for it, as it has done for many other enterprises here in Newfoundland. And the Government is owed I believe some \$600,000 by E.P.A. which was unable in the first year of that bond issue to meet its principle and interest payments. So the Government advanced the money for it to do that. Since then it has been meeting the principle and interest payments. That is the Government's financial relationship with E.P.A. The success of E.P.A. is due in part to the Government backing it financially, and in even larger part to the hard work put into it and the skill put into it by the owners and operators of E.P.A.

They also needed the help of the Government when it came to getting into the business of buying expensive equipment and taking over M.C.A., which is when the Government agreed a guaranteed bond issue for it. When I entered this House, Mr. Chairman, to avoid any suggestion of conflict of interest, I sold a few shares that I had in E.P.A. or any associated company of E.P.A., and when I said sold them, they were sold and I have no interest at all in them any more. I just want to make that clear. I only hope that what does now happen to E.P.A. as a result of this Government's policy, has nothing to do with the words or actions of this hon. member.

MR. SMALLWOOD: I do not think anybody has said so, or that anybody thinks so.

MR. CROSBIE: Well, I know some people who thinks so.

MR. SMALLWOOD: Well then they are wrong.

MR. CROSBIE: Well I hope the hon. the Premier is right.

MR. SMALLWOOD: Well I am getting nervous, I am agreeing too much with the hon. gentleman, somebody has got to be wrong, he or I.

MR. CROSBIE: In this particular instance, one of us is wrong. But I am hoping that the minister will explain, so it will appear that I am wrong.

Now just to get back to this - the Government is taking over the operation of management of its own aircraft. Fair enough. And the Government have called for proposals, and the Atlantic Aviation of Canada Limited is going to be its consultant and management agent in this process for the next two years. A company who has never operated in Newfoundland before, who never as far as I know operated Canso Water Bombers before and so on, is going to be the Government's consultant and managing agent in this process. I mean that alone certainly gives one some cause to suspect that there is more to it than meets the eye. Why would not the Government's consultant and managing agent be the company who for the past sixteen years did the work for the Government, operated their air fleet, operated the air ambulance service, operated the forest fire patrol, the wildlife patrol and the rest of it? Why would not that be the company who is going to be the Government's consultant and managing agent, if they needed one, in taking over these services for the next three years? That requires some explanation. And how much lower and by how was this Atlantic Aviation of Canada Limited lower than the other people who made proposals?

I will hazard a guess now, Mr. Chairman, that in one year, when we can see what it has cost the Government to operate all these aircraft, and to operate this coming year as compared to the year before or other

MR. CROSBIE: comparable years, we will see that it is going to cost the Government considerably more.

What is it going to cost the Government, for example, to rehabilitate that hanger at St. John's Airport? What is the arrangement between the Government and Atlantic Aviation? On what bases are they paid? Who is responsible for what? Has Atlantic Aviation got experience with Canso Water Bombers? Have they got a supply of spare parts for them? These are some of the questions. I am not going to howl about it, until we hear the minister's explanation. Of course, I hope the minister will explain for us, because this is not any small operation, The minister might tell us how many aircrafts are involved. There are at least five cansos, two turbo beavers, I do not know if they still have cubs, there used to be two cubs, a twin otter, and I do not know what other aircraft are involved. I know that the minister shows \$1,200,000 for the operation of these aircrafts this year. And I do not think that this figure shows all the operating costs of aircraft. I think, there is another \$500,000 or \$600,000 in health, shown separately over in health.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: How much?

AN HON. MEMBER: \$200,000.

MR. CROSBIE: \$200,000 is it? I wonder if the minister could give us some information on this new situation?

HON. J. NOLAN: (MINISTER OF SUPPLY AND SERVICES): Mr. Chairman, one of the items that the hon. the member for St. John's West mentioned was; did the company concerned, Atlantic Aviation, have any experience in canso water bombers? I am told that yes, they do.

The other item is that the company referred to Atlantic Aviation is now or is about to be incorporated in Newfoundland, and as the hon. member opposite knows, the President of the company is a former Newfoundlander. I do not know if former is the right answer, I suppose you would call him a Newfoundlander, Victor Bennett.

MR. NOLAN: Some of the main differences between the new and old agreements, I would suggest, would be in the old agreements we provided for fixed numbers of flying hours for the various aircraft with payment to be made whether or not the flying hours were actually used. Under the new agreement it provides for an annual management fee, a fixed annual charge for each aircraft and payment for actual flying hours only. For the information of the committee, I should point out, Mr. Chairman, that during the period 1964-1969, that is from 1964-1969, an amount in excess of \$1 million was paid to E.P.A. in respect to unused, but contracted for flying hours. And under the old agreement many known essential flying hours were used simply because they had to be paid for and records of hours actually used could be inflated because of this action.

I might also say, Mr. Chairman, that E.P.A. informed the Government, and I should say that up until April 1st. the operation of the aircraft was strictly under, with the exception of that portion mentioned in health, under Mines, Agriculture and Resources. But E.P.A. informed the Government, and I would assume that Department at that time, that their proposed contract for 1970-71 would contain increases of thirteen to seventeen percent in certain areas.

I can tell the committee now that this increase did not arise. I can also tell the committee that the expenses referred to for the hanger, as referred to by the hon. the member for St. John's West, is covered in the contract with Atlantic Aviation is it not? And also that there was in addition to the thirteen to seventeen percent which is no longer relevant, that did not arise, because of the Government's action that there is another saving of somewhere in the vicinity of \$80,000, I believe, within the contract period.

Now another item that I should mention, for the information of the committee, is that we have at the moment about fourteen aircraft altogether.

MR. NOLAN: We own eleven aircrafts - eleven of the fourteen are owned. Also I should point out that we have a number of chartered helicopters, there is a jet hangar at Torbay, there is a jet hangar at Deer Lake, and other helicopter at Gander, This is not included in the Atlantic Aviation contracts. Captain Pearcey, the Director of Air Services, arranges for, through the Deputy Minister of Supply, for the jet hangars that I referred to. The planes that the hon. member opposite mentioned were a canso, and that by the way is now based in St. John's, we have one here from May 1st. to August 15th. Another canso is in Gander, there is still another at Deer Lake. A canso at Goose Bay, a canso at Gander (another canso I should say). A turbo beaver at St. John's, a turbo beaver at Goose Bay, there is a turbo beaver at St. Anthony, there is a twin otter in St. John's, there is a super-cub in St. John's and a super-cub at Gander. I did have some facts and figures here concerning the purchase of aircrafts, which I am just trying to locate, I believe that it is important. The type of aircraft, the canso water bomber and I can now reveal this information without jeopardizing any of our final conclusion.

We had an offer from E.P.A. for a canso water bomber of \$148,000. We did not accept that, we went back and negotiated with E.P.A. and found them very, very cooperative, I might add. Rather than paying the \$148,000 for the canso water bomber, what we have agreed to pay in fact is \$115,000, That is a bit of a savings.

MR. SMALLWOOD: The hon. minister earns his salary for three years.

MR. NOLAN: Well I may need it.

The other item, turbo beaver, water bomber, E.P.A. offer was \$160,000. I asked my people to go back there and to sit down with E.P.A., which they did. And what we are paying now is \$130,000 for that aircraft, and not \$160,000. Another turbo beaver for which E.P.A. wanted \$135,000 again we renegotiated the whole deal, and what we have agreed to pay in

MR. NOLAN: fact is \$105,000.

So what you have then is E.P.A. wanted \$443,000 for the aircraft, that we wanted to purchase. What we paid was not \$443,000, but \$350,000. And I think you will agree that this is quite a substantial saving.

MR. SMALLWOOD: \$93,000 savings.

MR. NOLAN: Now the terms of payments on the signing of the agreement -

MR. SMALLWOOD: Perhaps the hon. minister will agree, I am sure, that E.P.A. were doing an ordinary business-like thing in trying to sell their property for as much as they could get. And the minister was doing his best to get it as cheap as he could get it. There is nothing wrong with that is there?

MR. NOLAN: Absolutely nothing. That is horse trading.

MR. ROBERTS: That is legal.

MR. NOLAN: I should point out that my negotiations with E.P.A. (and I have never discussed with the hon. member for St. John's West, one way or the other) my negotiations have been and the negotiations of my officials have been with Mr. Lewington and other officials there. I have had had some conversations with Mr. Andy Crosbie -

MR. CROSBIE: They will not speak to me.

MR. NOLAN: He will not speak to you?

MR. CROSBIE: No, no, not him, but the others will not.

MR. NOLAN: Oh, I see.

But my only relationship with those involved has been most amicable. I find them to be very, very helpful. We have horse traded, as the hon. Leader of the Opposition says, on the price of these aircrafts. But this is something we do all the time with other firms. It is nothing new, and I am surprised that the question is even raised. Not only that but E.P.A. who operated with the Government in the transfer of the air services since then they have made personnel, parts, anything that we want available. I

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MR. NOLAN: have no argument with E.P.A. or the personnel associated with E.P.A., absolutely none.

MR. CROSBIE: Mr. Chairman, the minister is not really answering the points that I raised. The minister said that the difference between the old and the new agreement - now the question has not been asked, what is the difference between the old and the new agreements? Under the old agreements, when E.P.A. operated these aircraft, some they operated for the Government, which were the Government's aircrafts, some were aircraft they owned. So

MR. CROSBIE: So under the new arrangement the Government has entered now - the Government owns the aircraft. Atlantic Aviations is going to operate these aircraft, advise the Government how to operate them. So the basis of the two agreements are entirely changed. In one, the old system, the Government own certain aircraft, E.P.A. own certain aircraft and chartered them to the Government.

HON. JOHN NOLAN (Minister of Supply): May I remind the hon. member, because he would not know, that the E.P.A. offer was based on our purchasing of aircraft.

MR. CROSBIE: I do not know what their offer was based on, neither am I interested, except as how they compare with other offers made. The old agreements and the new one the Government is operating on now are two different situations. That is what I am saying. Now in the old agreement - you had to pay for unused hours - the minister got a figure for five years. Certainly that is fair enough - either the Government agreed or did not agree. The aircraft had to be ready and had to be on hand and ready to be operated, but used or unused they had to be paid for. It is not just the hours up in the air. But the question I have asked is how did the proposals from these five companies compare with one another. They were all asked for proposals. What made Atlantic Aviation proposal more attractive than E.P.A.'s - political considerations apart? That is the question I am asking. Not what the difference is in the old agreement and the new agreement. That is not the question. Just what is the agreement with the Government and Atlantic Aviation - what is Atlantic Aviation doing - what is this agreement? What services are they performing? And what are they being paid for it? That is what I am interested in knowing. The aircraft are now owned by the Government. And they have asked somebody to advise them as a consultant and managing agent. That is all the role is now in Atlantic Aviation. Not E.P.A.'s role which was to operate, maintain them and manage them and run them. That was E.P.A.'s role. So they are two different situations. As far as the prices the minister quotes are concerned, I do not doubt that he could beat E.P.A.

down in price. I mean, what is E.P.A. going to do? They no longer have the use of the aircraft. The business for which they were used is gone. So what is E.P.A. going to do? What was it going to do with two turbo beavers and a canso they had no use for? It certainly was not ⁱⁿ much of a position to bargain with the Government about the price. Now the Government may have gotten a very good price on them. It was a good reason. They had E.P.A. in a tough spot - where are they going to get rid of them if the Government does not buy them?

MR. NOLAN: Oh, I must remind the hon. member opposite, that there were other sources from which we could have purchased waterbombers than E.P.A.

MR. ROBERTS: And there were other sources where E.P.A. could have sold those - there were no turbo beavers sold for over a year, and they could be sold anywhere.

MR. CROSBIE: I wonder if my hon. friend could advise E.P.A. where else to sell these turbo beavers.

MR. ROBERTS: If I were E.P.A.'s (inaudible)

MR CROSBIE: The hon minister's constituents have had very excellent service from EPA Air Ambulance over the years.

MR SMALLWOOD: He must not get too enthusiastic or somebody will suspect that he has sort of an interest.

MR CROSBIE: I have a very great interest in EPA. I am very proud of it. My father started it, built it up and my brother is continuing to run it and operate it, and I do not doubt that it has got a lot of defects. But the hon. minister is not justified in any snears nor aspersions. EPA has done an immense service.

MR ROBERTS: I am talking about their fourth rate commercial service to my constituents in St Anthony.

MR. CROSBIE: What the minister calls a fourth rate commercial service to St. Anthony. If the service becomes commercial no doubt it would go up from fourth rate to first rate. Do you think that E.P.A. or any company is in business just to lose constantly?

MR. SMALLWOOD: The hon. gentleman is being very indiscreet. He is being

very unwise. Let me do the defending of E.P.A. I am well able to do it.

MR. CROSBIE: I am not attempting to defend -

MR. SMALLWOOD: I have been defending them. I have been the one friend they have had. I have.

MR. CROSBIE: Mr. Chairman, I am not interested in either attacking or defending E.P.A. I am interested in finding, for my own information, if for no one else's and the public, not for E.P.A. E.P.A. has not asked me to do anything on this or say a word. In fact they are probably praying that I will not say a word. But that is not the way I am. I want to find out how and where this Atlantic Aviation of Canada Limited proposal was so much better than E.P.A.'s and Newfoundland's Air Transport, that a wholly owned subsidiary of an American company had to be given the contract instead of E.P.A. or Newfoundland Air Transport.

AN HON. MEMBER: Let the minister answer.

MR. CROSBIE: Let the minister answer? I sat down so the minister could answer, and the minister got up with some old hokum about the difference between old agreements and new ones. Not the difference between the proposals that were put in. That is the question I am interested in. If the minister will answer it.

MR. NOLAN: Well again I have to repeat ^{for} the benefit of the hon. member opposite, that the normal (and I did not want to get into this but if the hon. member insists, all right, we will have it) the normal traditional way for a number of years, in order to arrive at a contract for the air services for the Government of this Province, has simply been to go to E.P.A. This has gone on year after year after year. Some people, of course, have been, within recent years, in the unfortunate position to think that there might be more than one offer in the world. And this is what we did.

MR. CROSBIE: Nobody is questioning that.

MR. NOLAN: Well this is what we did.

MR. CROSBIE: We are asking what the response was, not that there is anything wrong with calling for proposals.

MR. NOLAN: Exactly. This is exactly what happened, and it was not I who decided. First of all, as I said, the aircraft contract was with the Government, through Mines, Agriculture and Resources. The other point is that E.P.A. within the last year (and the hon. member opposite can shrug his shoulders at this and say it is all tripe if he wants to) but they came and asked for an increase of thirteen to seventeen percent. And the minister responsible at the time in Mines, Agriculture and Resources got his back up and said, we are not going to go. And so it was, as a result of that, that we called the tenders for the aircraft services for the Government of the Province, which to the best of my knowledge was never done before.

All of the pilots concerned are hired by Atlantic Aviation. They are not hired by the Government of this Province, they are hired by Atlantic Aviation. And all of the pilots, to the best of my knowledge, who were involved in the piloting of the waterbombers and so on, are now rehired by Atlantic Aviation. The same pilots flying the same plane in most instances. That is the situation. And they are getting better salaries.

MR. HICKMAN: Mr. Chairman, did the minister prepare specification for the air service, say for the year 1970 and then submit the plan or whatever you want to call it, the proposal, to any airline, and say; "will you make us a bid on that?" Or was it the case of an airline coming in and saying; "here is our proposal," and convincing Government that it was cheaper.

MR. NOLAN: No, we merely forwarded an outline of what we had, what was required and so on Mr. Chairman, to all of the companies concerned, and then, as a result of that, they came to us and to Mines, Agriculture and Resources and we had a number of officials involved in meetings with them. I was not in on any of the meetings. It was as a result of that, and based on their report, that we engaged Atlantic Aviation to take care of the aircraft.

MR. CROSBIE: Including E.P.A.?

MR. NOLAN: Including E.P.A.

MR. CROSBIE: Mr. Chairman, there was no standard tender called, made by the Government, tender on the certain things here - the certain uniform things.

Everybody will tender on them and know exactly what they are tendering on. Proposals were called for. Conversations were held after the proposals were called for, with the various people who put in the proposals. So what was awarded to Atlantic Aviation may have no similarity to what was stated in Atlantic Aviation's bid, or anybody else's bid. There is the question of the Government dealing with the people who put in proposals and deciding what proposals sounded more attractive and so on. When the minister says that E.P.A. had asked for a thirteen to seventeen percent increase this year, that was on the basis of the system that had been in operation for the previous year. "If this system continues these contracts and this kind of work and so on - the same situation pertains, we will want an increase of thirteen to seventeen percent this year." But the system was changed, so that has no bearing on these proposals that the Government called for, and there is nothing wrong with the Government calling proposals. They call proposals in everything. There is nobody arguing they should not call proposals. All I am asking is; on what basis was the Atlantic Aviation proposal - what they are doing now - on what basis was that so much better than E.P.A.'s or Newfoundland Air Transport, or Fielding or Kenting? That is the question.

MR. NOLAN: Mr. Chairman, first of all, I have, as most officials or most ministers have in their department, certain people who are responsible for advising on different aspects of the operation of a department. In the case of aircraft we have a director of air services who, as everyone knows, is Captain Pearcey. When it comes to advice on aircraft, what type of service we are getting, whether it is good, bad or indifferent, my information, obviously has to come from him. When it is matters of finance, I obviously have to go to the Department of Finance and Treasury Board, which I did. And it is on the advice of all of the people who are concerned. I did not receive some divine information that appointed me to Atlantic Aviation or E.P.A. or anybody else. This is how it was arrived at. And let no one make any mistake about it. It was the best proposal.

MR. CROSBIE: Mr. Chairman, this is quite irrelevant. We know the minister

get the information from the Civil Servants and so on. The point is that surely at some point the minister has a memorandum or something in front of him that this proposal has advantages over that one because of this money, or a technical point here. The minister must be given reasons. Well all we are asking is what are the reasons? That is all. It is easy enough to say it was the cheapest. The cheapest on what basis? I do not accept it. I want to see the proof. That is all. I know the hon. minister does not care. Exactly.

MR. ROBERTS: For services rendered for the dollars going out - which is the normal way to measure these things. And if it is the cheapest. I do not care whether the hon. gentleman accepts it or not. The hon. gentleman would not accept it if I were to stand on my head in front of the Committee.

MR. CROSBIE: The hon. gentleman Mr. Chairman, is just asking a question - the hon. minister says it was the cheapest, and I say, in what respect, how was it the cheapest?

MR. ROBERTS: It cost less dollars.

MR. SMALLWOOD: That is the usual measurement.

MR. CROSBIE: I say this, that whatever Atlantic Aviation is doing now - whatever the arrangement is -

MR. ROBERTS: They are doing what E.P.A. did for less money -

MR. CROSBIE: They are not doing what E.P.A. did, in no way, shape or form. They own no aircraft.

MR. ROBERTS: And we bought the E.P.A. aircraft. And most of these people provide better maintenance. Come on. I can go on about E.P.A.

MR. CROSBIE: The hon. gentleman will have a chance to speak when I am finished. If he wants to go on about E.P.A. he can ^{go} on about E.P.A. That is up to himself. I think I have my rights, Mr. Chairman, to continue speaking when I am on my feet. The hon. minister has not said in what respect this agreement with Atlantic Aviation was better than other proposals made. And there were proposals made other than those of E.P.A. or Atlantic Aviation. And neither has he said what exactly is the agreement now. What is this

consultant and managing agent? Does the Atlantic Aviation - what do they have to provide besides the pilot? Do they provide spare parts, maintenance, alter certain fixed sums - what do they provide?

MR. NOLAN: I have here the contract, which has not been passed by the Department of Justice, and I cannot reveal until that is done what exactly is in this agreement. We cannot do it in this House Mr. Chairman, with respect. As my hon. friend to my right, the Minister of Health has indicated, if it is a matter of dollars and cents, we have gotten the better deal from Atlantic Aviation. And we are going to get better service. Atlantic Aviation do provide or will provide the parts, the pilots and the complete service that we need. It is most unfair for the hon. member opposite to stand, as he did a little while ago, and say that when we come to the Estimates next year, that we will find we are going to be paying more in the way of dollars, than we have previously. But the hon. member opposite well knows that if this forest, or the forest of this Province decide to burn down next week, or next month - even if we have \$1 million dollars allocated, as we do perhaps at the moment, for aircraft operation - the fact is if she begins to burn, we have to turn everything loose and that means ^{if} we have to get extra planes including E.P.A. we will do it.

MR. CROSBIE: I said that the comparison should be to comparable years. I mean any dodo knows that if it is a big forest fire year, you cannot compare ^{with} it, last year, when there were practically no forest fires. It would be interesting to compare it to comparable years. There was a study done for the Government by UNICA Research on the whole aircraft or transportation situation of the Government. And I believe that that study found that the operation and maintenance and control of the Government aircraft service by E.P.A. was satisfactory at that time. That was the end of 1967. But the hon. Minister of Health seems to have a lot of objections to the service, or a lot of slurs to the E.P.A. service now.

MR. ROBERTS: It is just that other people can do it better, like Atlantic Aviation.

MR. CROSBIE: And how is the minister going to know if they can do it better if there is no standard of comparison? There are no tenders called on the

same basis to all of them, to see what prices they would do it for, or how. And how can the minister know that Atlantic Aviation will do it better, when they have only just started their contract.

MR ROBERTS: I would say that during the two months that they have been doing it - talking to some of their customers -

MR CROSBIE: Well, we can see -

MR ROBERTS: The customers, not the Government.

MR CROSBIE: Their customers are the Government.

MR ROBERTS: So are the IGA.

MR CROSBIE: The hon. minister's bias is definitely showing. He has already judged the whole situation, even before Atlantic has even had a year's operation.

MR ROBERTS: I am not going to stand and listen to the hon. member running down the company before -

MR CROSBIE: The minister is repeating an inexactitude Mr. Chairman, when he says I am talking about my own company. The minister well knows it is not my company.

MR. ROBERTS: Then it is the hon. gentleman's brother's company.

MR. CROSBIE: Exactly.

MR. ROBERTS: But there is no bias on my part except the bias to get the most we can for our dollar.

MR. CROSBIE: I would like to believe that. I would like to see Mr. Chairman-

MR. CHAIRMAN: Order please!

MR. CROSBIE: All I am asking for Mr. Chairman, which I cannot get, so there is no point in pursuing it - is a comparison of these various proposals and how they are alike - is like being compared to like. And has the hon. minister held right in his suggestion that the same service is being provided for less dollars? I say he is wrong. He is a hundred percent wrong. He is completely wrong. And I have been given no figures to show anything different here. Has Atlantic Aviation taken over from E.P.A. everyone who

has been laid off as a result of the new arrangement?

MR. NOLAN: I have to remind the House Mr. Chairman, that E.P.A. had a substantial layoff prior to any Government contract going to Atlantic Aviation. And as we said, when this happened that Atlantic Aviation were required to hire qualified personnel, local personnel, qualified people. This to the best of my knowledge they have done, and I have insisted on it.

MR. ROBERTS: Mr. Chairman, just before we leave it, I do not mind if the hon. member for St. John's West thinks I am right or wrong. But I would be very worried if he thought I was right. But I was on the committees that looked at these proposals. We compared like with like, and the decision to accept the Atlantic Aviation offer was based solely on the standard that they could provide equal service for less dollars than the other companies. If that makes me biased Mr. Chairman, then I am biased. We have had to sweat pretty hard to get the money. And just to fling it away - E.P.A. thought they had a captive. They thought they had it Mr. Chairman, and all we had to do - all they had to do was announce what their price was, and that is the way it worked in the past, and we would deal with it. But Mr. Chairman, that is not what we did this year. This year we called for proposals to a number of competent firms. We picked the one that was the cheapest, that was the best, and we compared like and like. Now whether the hon. member accepts or not, that happens to be the truth, and it happens to be factual and it happens to be complete. I do not care if he accepts it or not. If he wants to be interested in E.P.A. and Newfoundland companies, so be it. More power to him. But that is the full story, and any insinuations, anything else is completely false, baseless, without any ground whatsoever.

MR. SMALLWOOD: Perhaps I would be allowed to add a word to what my hon. friend has said. And what he has said is in my opinion, completely true. True and realistic and complete! Well maybe not quite complete. There is something to be added, and it is this: If you went back twenty years in Newfoundland, you would have felt, as we felt, strongly that there ought to be a good Newfoundland airline. We felt very strongly about that. We were

determined there should be a good Newfoundland airline, domiciled in Newfoundland, based here, and operating here. There was one, and it was E.P.A. and it was very small - it was weak, and it was very poor. Before the late Chesley Crosbie came into it, it was Captain Eric Blackwood, and E.P.A. consisted of one aircraft. A small single-engined aircraft, and he had no money and he had no capital and he had nothing, except one small single-engined aircraft, in which it so happens, I did a lot of flying at the time of the Confederation campaign. It was in that very plane, the only plane that E.P.A. had, that I did my campaigning around this Island - flying around, advocating union with Canada. And he had no money, he had no capital. Whenever he ran short of gas, he sold a few more shares to the nearest people he could find at hand. In any way that he had no money, he just sold some shares and got this or that done, or provided for the line. Chesley Crosbie took it over, and brought in a few people with him. I think Edgar Hickman and a few others - brought them in with him, including I suppose, such of the existing shareholders that he could find, because nobody really knew where the shareholders were. Eric Blackwood sold shares as he had to - as he ran short of money. If he was down in some outport with this small aircraft and needed some money, he sold some shares. It was not a very complete record kept of the names and addresses of the shareholders, or of the number of shares they had.

So Chesley Crosbie had to try to find out who these shareholders were, and make a list of them, and then he had to sell some additional shares to some additional shareholders to get some additional money. It was all very weak and very poor, when this Government decided to take an active interest in E.P.A. and we did. We did indeed. I personally - I happened to be the one who promoted the merger of E.P.A. and M.C.A. I did. I brought M.C.A. and E.P.A. together, and got them merged. That is how Maritime Central Airways was taken over by E.P.A. and the Newfoundland Government put up the money to do it. Not only did we promote it - not only did I bring the two parties together, but I asked the Government of Newfoundland to put up the money to pay for the purchase of M.C.A. by E.P.A. and this was done. And they

have been our chosen instrument. Now I am not going to go so far as to say this, because it would be wrong to do and wrong to say, that we had sort of turned any blind eye on E.P.A. My hon. friend the Minister of Health says, for six or eight or ten years, longer than that - we have employed E.P.A.

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we did not ask anybody else. We asked only EPA. We did not deal with anybody else. We dealt only with EPA. And so it was a sort of a sweetheart arrangement, between the Government on the one hand who had so much money in EPA, millions, six millions,

MR.CROSBIE: Guaranteed -

MR.SMALLWOOD: Guaranteed the credit of this Province was pledged to EPA and it is pledged at this moment for six million dollars. And we had to pick up \$600,000 of that in cash and pay the bank because they were not able to pay it. We are not complaining. The point is that this government at this moment have got six million dollars of the public credit pledged to EPA. And so there has been a sort of sweetheart arrangement between EPA and the government and I do not apologize for that. I do not apologize. I have no apology to make on that. We wanted EPA, we wanted a Newfoundland airline. Why would not we? Everybody else does. Then we had a special reason namely, Labrador. We had Labrador. We had that vast hundred and ten thousand square miles down there. And we knew that if we were going to hold Labrador it had to be more than merely a constitutional provision in the BNA Act. It had to be something practical. And the practical thing is communication between Labrador and this island and so EPA was what the doctor ordered.

EPA. If we today have the stake we have in Labrador it is largely because of EPA, let no one fool himself about that. If we had not had EPA or some airline of our own in the last ten years in Labrador you would have, what you had today is nothing to what you would have in that case. So there has been a sort of a good relationship between the government and EPA. But, Sir, with EPA getting DC-7's great jet airlines, DC-9's 737's great air jets, EPA now has come of age. We do not think it is necessary any longer for that degree, that quite that same degree of sweetheart arrangement to continue. And so we have said we have aircraft of our own. And EPA we suspected, we more than suspected, we had pretty

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good reason to believe that EPA were giving us second class service, that when it came to servicing aircraft they serviced their own before they serviced ours. Then ours came second. That we have more than good reason to know that, more than good reason to suspect it rather, We know that our aircraft were getting second show from EPA in their maintenance in the overhaul and maintenance of our aircraft. Again, again and again we would have to wait on our aircraft, they were not ready because they had not been serviced because EPA's own aircraft were being serviced and we can no longer tolerate that. So we decided that we would find a better arrangement, if we could, for the management of our own aircraft and this has been done.

The hon. minister of Health is a hundred per cent right. Completely right. Every word he said is accurate. The only thing is he left out something. And I am trying to fill in the words that he left out, namely, that for the last ten or fifteen years there has been a sort of sweetheart relationship between the government and its creature almost, almost, (we created EPA) What it is today it could never in this world have been but for the tremendous amount of help we gave it. And having in a sense or to a great degree, not entirely now, I do not want to take one bit of credit away from Ches Crosbie, and I do not want to take one bit of credit away from Andrew Crosbie, and I do not want to take one bit of credit away from Jim Lewington, and I do not want to take one bit of credit away from the pilots and the maintenance men and the administration, or any of them. I do not want to take any credit away from them, I just want to give the government of the Province a little credit or quite a generous slice of the credit for the success that EPA is today. And we having treated them generously like that. We felt that they, now having come of age, can afford to be treated you know more or less in a commercial sense and in a commercial degree. This is all we are doing, nothing else. They will get along. They will get along very

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well and I say proudly that EPA is a success and is going to be an even bigger success in the future and Thanks Be To God for that! We can all of us in Newfoundland take great pride in the growth and success of a tremendous Newfoundland institution. We should all be very proud of it.

MR.H.COLLINS: Mr. Chairman, if we can believe all we have heard. We can only assume that EPA has been doing a less than satisfactory job for a number of years, in terms of the government maintenance contract. Now, Mr. Chairman, I am not prepared to accept that, for two reasons.

(1) EPA has mechanics and pilots with a record not only in flying single engine aircraft, two-engine aircraft. They have a record now in flying four-engines piston type aircraft. They also are rapidly gaining a good reputation in terms of flying full, complete jet aircraft. Much of this work has been done at Gander and many of the pilots who did fly the bush lines, the small cessna's and so on and so forth, are now captains on the jets on the mainline routes from St. John's to Montreal and Gander to Montreal. Naturally they received some training as they were taken off the smaller aircraft. But certainly, Sir, this is indicative to me that they were qualified to do the job they have to do and they were certainly qualified to accept the training and carry on to the more sophisticated type of aircraft, namely the jets.

on

Now, Mr. Chairman, I do not want to belabour the committee, the story of aviation in Gander. The Premier has already told us some of it. However, I am sure that the committee would agree with me when I say that aviation is the reason for the existence of the town of Gander. There is no other reason for its existence, Mr. Chairman. Had it not been for the airport there would have been no town of Gander today. And while there was a lot of soul-searching some years ago ^{when} the new townsite was developed, there was a consideration given, certainly in Ottawa and I suspect in St. John's also, to relocating the airport to a point east or a point west of Gander. But subsequently the enthusiasm of the people and so on and so forth in the local

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area prevailed and it was decided to go ahead with the townsite at Gander. And a townsite followed and today we are approaching a population of \$10,000 people. And as I say Sir, the main reason for all of this was the airport complex.

Now, probably the predominant reason was transatlantic flying. But certainly as the years roll by and with the decline in the number of landings at Gander and with the added routes of Eastern Provincial Airways it was seen about five years ago that EPA was really taking up the slack. and were employing more people in local aircraft business than were employed by the International Airlines that were flying the transatlantic. Now, Sir, we can argue all day whether EPA did a good job or not. I am not prepared to say. They did have some men who have proved themselves in the field and are still proving themselves in the field and I have no doubt at all that next year if EPA decides to go into jumbo jets that the same pilots who once flew the cessnas will find that they can be qualified to fly the jumbos. So, Mr. Chairman on the basis of the quality of staff or the pilots or operating personnel and maintenance personnel I cannot agree that a good job was not being done.

On the other hand Sir, if we are to believe the Minister of Health and the Minister of Supply it would seem that over the years over a number of years this Government, we are being fleeced by EPA, in other words the taxpayers dollar was going down the drain, They knew it but they did nothing about it until now. So certainly Sir, they were contributing to this climax, if you want to, and something had to be done and something had to be done drastically and something had to be done quickly. I suspect, Sir, there was an underlying reason there which is not coming out. In fact I am almost convinced of it. I have said it before I will not repeat it today for the committee because it is not new, but I will say this that in the event that

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Eastern Provincial were not providing the type of service which the government asked for and which the government demanded and the government had a right to, and chances are ^{as} the years roll by they were entitled to a better service than they were last year and next year there was needed a better service than we had this year, so give them all the credit in the world for that. But that being so, why in the name of Goodness was it decided to move the site, the location, regardless if it is done by EPA or Gander Aviation or Newfoundland Air Transit or Atlantic Aviation or Quebec Air for that matter? Why was the decision taken to move the whole thing, lock, stock and barrel out of the Gander area.

Certainly the main requirements for government aircraft if we are to believe, what we have been told the last number of years one of the main requirements is for firefighting. They have four Canso water bombers. Mr. Chairman, we have five Canso water bombers and I cannot see for a minute where these aircraft are going to be employed on the Avalon Peninsula. I said before there is not wood enough around here to make a yoke for a goat and I still stand by that. I know I have not seen it. Certainly there is no big requirements in Trinity Bay. Certainly there is no great requirements on the great section of the South Coast. But certainly we all must agree that the requirement is going to be in Central Newfoundland and the West Coast. This is the place we have the force and Labrador. Why then do we move our water bombers as far east towards Ireland as we can get them, when the need is up the other way? This does not hold water Mr. Chairman, certainly not in terms of being effective in firefighting, certainly not in terms of economics when we are farther away from the job site if the fire does occur.

On the other hand, Sir, another requirement is of the Department of

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Mines, Agriculture & Resources in various types of forest activities like spraying and surveying, counting caribou tracks and counting moose tracks and rabbit tracks and so on and so forth. There is a great requirement there I understand. So, if the requirement is there, I would suggest that the moose and caribou population are also in the central part of Newfoundland. They are certainly not on the Avalon Peninsula there are a few here but not all that many. So, certainly the need is out there. Why then do we decide to move an operation, lock, stock and barrel from a place where it was being done, if it was not effective, Atlantic Aviation could do just as good a job in Gander as they are going to do in Torbay, Mr. Chairman. There is no reason why they could not possibly do it cheaper. Stores were there, stocks were there, facilities were there - just does not make sense, Sir.

The Premier said a little while ago that the government policy was, for some years, to pay as much as ten or fifteen per cent or more for goods which are produced or manufactured in Newfoundland. Now anyone knowing anything about goods today and gross national products and everything else must realize that the gross national product contains goods and services. Certainly it contains goods and services in a great many instances, I would say, certainly ⁱⁿ the economy of the town of Gander -

MR. CHAIRMAN: Order. You are getting a little far afield -

MR. COLLINS: No, Mr. Chairman, I am not getting a little far afield we are talking about something which the Premier talked about and all the minister over there have talked about.

MR. CHAIRMAN: They were using it as an example and now -

MR. COLLINS: Mr. Chairman, I am using it as an example. I am using it as an example to show -

MR. CHAIRMAN: On 1804-01, relating to the salary of one director of operation of aircraft and what has that got to do with economic policy of the Province, I do not know.

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MR. COLLINS: Mr. Chairman, the Premier mentioned that the government were prepared to pay as much as ten or fifteen per cent more for goods. I say we should be paying ten or fifteen per cent more for services.

MR. WELLS: \$17,500 is the salary for one man -

MR. COLLINS: Mr. Chairman, that is the first time I have heard anyone mention Mr. Percy's salary, is right now. We have talked about Crosbie's we have talked about Blackwood's we have talked about everything under the sun, everybody in this House has talked about it and I am the member for Gander, Mr. Chairman, I mean I have an interest too, I have about twenty-five or thirty people who have found themselves unemployed. Certainly if -

MR. CHAIRMAN: I just do not think it is right for the hon. member to pick up an example or a reply to a question and then go on and elaborate on it. If the hon. member can show me how the point that he is going off on now has anything at all to do with the operation of aircraft I would be pleased to pay attention to it -

MR. COLLINS: All right I will get back to the operation. No one has proved to me yet that the proper place for the operation of those aircraft is Torbay, This I cannot accept. The Minister cannot prove it to me. No one can prove it to me. And, as I have said before, there is some underlying reason here which we have not heard from the Premier, we have not heard from the minister responsible and neither have we heard from the minister of Health. We have heard a lot of gobbledygook and so on which does not make any sense to anyone who knows anything about what has been happening here. But as I say, Sir, my main concern is, I could not care less if EPA are making money or not. other than from the long term benefits. In view of their maintaining their operation in Gander, they are maintaining some employment. And what we have here, Mr. Chairman, is we have had twenty-five or thirty people being laid off, granted some of them have received employment and been

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gainfully placed with Atlantic Aviation but all this has come at a time Mr. Chairman when transatlantic flying is going down, the bushline requirement in Newfoundland for EPA or Gander Aviation or any of them is certainly reducing, declining. The requirement is not there. Only a few days ago we heard that EPA have applied to the Air Transport Board to get out of bush flying altogether. Because the only need now is in Labrador and they propose to set up a subsidiary company or something in Labrador to carry on there. So there is no requirement in Newfoundland at all, and we find that where we have twenty-five or thirty people gainfully employed, comfortably living, with new homes, children in school and so on, so farth. great future ahead of them, with the marvellous relationship between EPA and the government all down through the years, we have all been led to believe. Suddenly the axe falls, Mr. Chairman, and those people can go, you know, to the four corners, hopefully get something somewhere. And then to add insult to injury Sir, to add insult to injury we find that we have a company, whether it is headed by Mr. Percy or Mr. Collins or Mr. Crosbie it does not matter to me at all. It is a company which is a Canadian subsidiary of an American firm. And this Sir, is certainly not consistent, with the Premier's statement and pronouncements and promises down through the years that we are going to keep our dollars home. I heard him make a statement last year that, if EPA ever moved a pilot into Montreal it would be over his dead body. Now we find, if we move out of government operations Mr. Chairman, and we also find the pilots are moving into Montreal every day. I would say it is about time the Premier took a look at what is going on there, unless there is some action instead of words, some action instead of promises.

MR.E.ROBERTS: Mr. Chairman, first of all, I do not want anybody to think what I said is a reflection upon either EPA's pilots or the mechanics. I have done as much flying, I think, as any member of this House and I have nothing but respect for them. As a matter of fact, the committee may be interested

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to know that the pilots now flying our government aircraft are exactly the same pilots who flew them when they were EPA's aircraft or government aircraft operated by EPA.

Secondly, Mr. Chairman, there is nothing new about our decision. We have been negotiating for years with EPA to try to hold down the costs. Ed Ralph, the chief forester, would go up to Gander every year in the spring and try to hammer out the contract. And I can remember, as long ago as four or five years ago when I was on the Premier's personal staff, being told by the then deputy minister of Resources, Dr. Peters, Dr. Stuart Peters and Ed. Ralph that we were being had by EPA and that they were trying to get the contract prices down. This is nothing new. No ulterior motives!

The third point, Mr. Chairman, is that it is a common misapprehension but it is not correct to say that our air needs are centered about Gander. As a matter of fact we estimate we are losing several

MR. COLLINS: (inaudible)

MR. ROBERTS: If the hon. gentleman - I listen to him with remarkable patience for me, perhaps he could exercise himself - the fact is, Mr. Chairman, we estimate we lost several hundred thousand dollars a year with aircraft dead heading back and forth to Gander for servicing. I have heard a comparable figure for EPA, I might add, on their commercial run, but I do not know their business. But it might interest the committee to know that of our thirteen aircraft only three are based on Gander and one of those, a Canso, is based on Gander but is a mobile ark. Firefighting Cansos Mr. Speaker, under the Director of Air Services, whose salary we are now considering, our cansos are based at five places throughout the Province. One here at St. John's, another at Gander, another at Deer Lake, a fourth at Goose Bay, a fifth one is based wherever she is needed and the last I saw she was at Torbay. I was at Torbay/yesterday afternoon and there were two
Airport

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cansos there. We also have aircraft based at Goose Bay and at St. Anthony one of those an air ambulance flight, one at St. Anthony and one at Goose Bay is a water bomber a turbo beaver, the rest of our aircraft, with the exception of one super cub which does wildlife work, are all based on St. John's. They are based here because we find that in the pattern of use this is where they most effectively can be based. So, agree a lot of our forests

MR. COLLINS: No one would ever agree with that -

MR. ROBERTS: No one would agree with it. Well Mr. Chairman, I do not expect the hon. gentleman to agree but I am saying we found through experience this is the most effective way to deploy our aircraft forces. Now whether the hon. gentleman accepts it or not is up to him. I do not mind him, indeed I would expect him or any member to speak in behalf of the people in his district. The point remains, it does not make economic good sense to have aircraft based at Gander. I think, Mr. Chairman, if the hon. gentleman wish to go to EPA and ask about their commercial run they would probably concur with him. They would probably say their aircraft should be based on Montreal as their stewardesses now are and as most of their pilots now are. The hon. gentleman would know how many pilots sold their homes in Gander, how many have been moved to Montreal and how many stewardesses, because it does not make economic good sense to have a maintenance point mid-route. There, Mr. Chairman, I suspect we are getting away from the salary of the Director of Air Services, I did want to make those points to the committee, they are factual points.

MR. CROSBIE: Although this is the first item, Mr. Chairman, we are discussing aircraft operations I assume, because this was the first item and we could discuss it generally. Now, this is all very interesting and everything has been said. It is very very interesting, so on and so forth. There is no information on the central point at all. The minister of Health said that this committee compared like to like, They compared like to like and by golly

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they found that Atlantic Aviation was the likest, I mean this was the best when they compared like to like. Well, all we are asking is compare like to like for us. Give us the like to like. Tell us how when the like to like was compared Atlantic Aviation was better than all the others and by how much? Tell us what is the arrangement with Atlantic Aviation this year, what are they being paid to do? What is it they are paid and for, what are they responsible in doing? Now, I knew there would be a few sneers, if this issue was brought up, from somebody on the other side of the House. This is a report done by Unico Research Company Limited, Nov. 1967. A review of the government of Newfoundland and Labrador air services. They did not conclude, as the minister of Health seemed to have concluded for some reason best known to himself, that the Government was getting the gears and the service they are getting from EPA . Page 76.

MR.ROBERTS: Who owns Unico by the way?

MR.CROSBIE: I do not know who owns Unico.

MR.ROBERTS: I do not either. I am just asking, just asking.

MR.CROSBIE: I do not own Unico, any more than the minister knows the minister can find out pretty quick if he wants to - it is not all -

MR.ROBERTS: I did not for a moment say it was or think it was.

MR.CROSBIE: Page 78, "the policy for governmental ownership and use of aircraft should be to employ aerial transportation in a manner most efficiently serving the public interest and the economic and social needs of the Province of Newfoundland and Labrador. Nobody will disagree with that. This would best be accomplished through a centralized control of government-owned aircraft usage independent of any specific departmental interest - "

MR.ROBERTS: Which we have done -

MR.CROSBIE: "Under such a centralized system, serving all government needs, the government owned aircraft should be identified as elements of the government of Newfoundland and Labrador air service."

MR.ROBERTS: Which we have done.

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MR.CROSBIE: Exactly, and which I agree with.

MR.ROBERTS: Precisely what we have done.

MR.CROSBIE: The next paragraph, "operation and maintenance of government owned aircraft, should continue under contract with EPA, a provincial company with the experience and facilities to operate and maintain the government aircraft and which has conducted such duty satisfactorily in the past." That was Nov. 1967. Then over a bit further they summarize their recommendations page 87, "in general the operation, maintenance and overhaul of government aircraft by a provincial contractor EPA has proved to be both satisfactory and economical. As noted in section 3122, there have been a number of difficulties related to the provision of pilots suitably qualified for such special tasks as line surveying of animal populations and spotting for water bombing operations. These problems it is considered can be eliminated or at least minimized by the adoption of some of the recommendations presented below, satisfactorily and economically.

"The charter arrangement entered into by the department of Health with EPA for the provision of two aircrafts for service in North west Newfoundland and Labrador is considered to be a most satisfactory solution of the problem of serving social needs in this area." That was No. 1967. Now the hon. minister wants us to believe in the space of a year or two years EPA suddenly started to give the government the dart, it was not economical any longer.

MR.ROBERTS: That is right, that is right and I also know who wrote that report.

MR.CROSBIE: And I deny that and I say that is completely not so -

MR.ROBERTS: The hon. gentleman denies it. Is he speaking for EPA?

Does he have a brief?

MR.CROSBIE: I am speaking for this hon. gentleman-

MR.ROBERTS: All right, then the hon. gentleman denies it on his own knowledge?

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MR.CROSBIE: I deny that that is a fact and I challenge the minister to prove that his statements are a fact in the light of this study done by a reputable independent firm of consultants.

MR.ROBERTS: How does the hon. gentleman know it is a fact? Aw, come off it! now, come off it! I know who wrote the draft report. Come on, I got that study done. Stuart Peters and myself.

MR.CROSBIE: The minister knows who wrote the draft report. Is there some sinister suggestion that I wrote the draft report.

MR.ROBERTS: Oh, Mr. Chairman, I would not dream of that. It is not so. Not so.

MR.CROSBIE: Right, you are darn right it is not so, and the minister announced in this House that it is not so either. There is one reason for the change in the EPA contract, that is a political reason.

MR.ROBERTS: Oh nonsense! Nonsense!

MR.CHAIRMAN: Order please! Just a few minutes ago the hon minister of Health took violent objection to being interrupted from this side of the House.

MR.CROSBIE: That is the report of Unico Research. Now if the hon. minister wants to go on and slur and slander Unico Research let him do so. That is the report of Unico Research. This nonsensical slurs of EPA, I say fine, call proposals, all the proposals you like and I hope that the minister at the end of the present financial year calls proposals for the operation of his aircraft for next year. And that the minister will put out specifications to those tendering and say this is what we want, uniform for all, and all of you tender, on these aircraft for next year that the government own. Is the minister going to do that?

MR.ROBERTS: No. It is a three year contract.

MR.CROSBIE: The minister is not going to do that. I see, It is a three year contract, okay! All that we ask, Mr. Chairman, is let this comparison of like

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to like, that we be told about it and what the present arrangement is. That is all that is being asked on that. This debate has engendered quite a few things irrelevant to that, exaggeration, such as EPA was weak and poor when the government took an interest in EPA. What trash and nonsense! EPA was weak and poor, like - we are not supposed to use that word here - not parliamentary - EPA was a successful bush airline here in Newfoundland, built up by the people who owned it. And when it had to go into something bigger, schedule airline service and particularly when it had to go into large aircraft like Dart Heralds, it did not have the money to pay for them. It could not generate enough flying around Newfoundland to pay for those aircraft, or to take over EPA, or to get into jets, That is when the government of the Province helped it and guaranteed its bonds, for which ^{be} the company should and I suppose is grateful. But for the government to pretend there was something weak and poor until the government took some interest in it, nonsense! It was no weaker nor poorer than most Newfoundland companies are. That is an exaggeration. And it is not a bad idea for EPA to get out of bush flying too because you cannot run a schedule service and really operate a bush service too.

But the way it was gotten out of this one I object to, because I am perfectly sure in my own mind what the cause of it was. The cause of it was this hon. member and nothing else. It was an act of political revenge. And the hon. minister is only providing rationalization for it. So, there is no point keeping on on the issue. I do not know if the minister can give us any more information on how this is going to operate or -

MR. ROBERTS: Mr. Chairman, let me just say that the Unico report was done, it was delivered to us in November 1967, it was done a great time before that six or eight months. The draft report was reviewed and then the final report was submitted. Nothing improper. I would not for a moment think that the hon. gentleman would either write the report or be consulted on it. Why should he, he had nothing to do with it? The important point is that the

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past year or so the service that we have been getting from EPA has deteriorated greatly -

MR. CROSBIE: With the political situation

MR. ROBERTS: No, Mr. Chairman, the hon. gentleman thinks and he is entitled in his vanity to think as he wishes. Nothing to do with it. The service deteriorated and the hon. gentleman himself inadvertently revealed the reason because EPA have no interest in being in the bush business in this Province any more. They have become a mainland aircraft and well enough, they are providing a first rate service back and forth to Deer Lake and Gander and Churchill and Goose Bay and Wabush and now into Montreal. Well and good. And as for EPA being in need of government help, of course they were. They have got substantial help from this administration. They have got substantial help from the government of Canada. Fair enough! We are prepared to do that. We were prepared last fall to allow EPA to merge with another company with substantial benefits to the shareholders, quite prepared to do it, Mr. Chairman. That fell through because of market conditions. It may happen again, at which stage the shareholders will be several millions of dollars ahead. Very profitable little business. Do not begrudge them that. All we want Mr. Chairman is service for our aircraft and that we are getting -

MR. CROSBIE: No more ^{profitable} than the drug business - Lot less profitable.

MR. ROBERTS: Mr. Chairman, I do not know what -

MR. CHAIRMAN: Order please! I think we are starting to repeat ourselves -

MR. ROBERTS: Thank you Mr. Chairman.

MR. COLLINS: Could the Minister . . .

MR. COLLINS: Indicate to the committee how many pilots and mechanics and other types of personnel have applied to Atlantic Aviation for employment, and how many have been placed? Have they all been placed?

MR. NOLAN: I am not sure that I have the position as specifically as asked by the hon. member. I do know that we now have employed I believe, somewhere in the vicinity of thirty-eight personnel, and thirty-six or thirty-seven of them would be Newfoundlanders or hired in Newfoundland. I should not be specific on Newfoundlanders because, I would suspect, as the member for Gander would know, many of the Canso Water Bomber pilots are not Newfoundland born, but they have been operating here originally with E.P.A., flying for many years, and now with Atlantic Aviation.

MR. COLLINS: (Inaudible)

MR. NOLAN: I do not know, I will just check that. To the best of my knowledge, those who applied who were qualified would have been hired. We have had some difficulty, I should inform the committee, in the case of certain mechanics that we need, if E.P.A. would let qualified mechanics go tomorrow I would think that we would be in a position, or Atlantic Aviation at least would be in a position to hire them.

MR. CHAIRMAN: Does the item carry?

MR. MURPHY: Mr. Chairman, there is just one question, I think it has been aired pretty thoroughly by a great many members of the House. Aircraft operations salaries, now we only received the salary of one Mr. Piercey. Where do the other salaries come in?

AN HON. MEMBER: Inaudible

MR. MURPHY: Operations.

MR. CHAIRMAN: Does the item carry? Carried.

MR. MURPHY: 07-01 Mr. Chairman, operations, could we have some breakdown as to just how many persons are involved in this \$1,200,000. as far as salaries are concerned.

MR. NOLAN: The only salary, at the moment, Governmentally is for Capt. Piercey, I would assume. All other salaries are paid by Atlantic Aviation. I am sorry if I

MR. MURPHY: I asked a question on salaries up above, we own the aircraft now, right? They are being supervised by Atlantic Aviation, there is only one vote for salaries \$17,500. I asked the question on salaries of pilots and so on and so forth, and I was told it came under operations \$1,200,000.

MR. ROBERTS: That is for a pilots' salary, it is paid out of that vote

MR. MURPHY: Pilots, maintenance men and so on and so forth?

MR. ROBERTS: We pay Atlantic and Atlantic pays the pilots.

MR. NOLAN: Yes, yes, that is right

MR. ROBERTS: We do not have any employees other than the Director of Air Services Mr. Piercey, but we pay Atlantic and Atlantic out of that 1.2 millions will pay their pilots and their engineers, and you know, whatever they have on their staff, just as before. We had no employees, E.P.A. hired the pilots, They are wearing our uniforms, but they worked for E.P.A. Maybe my colleague has the details on the number of people Atlantic have employed on our contract and what they are paid, but we only have one employee namely Mr. Piercey whose salary was paid above.

MR. MURPHY: What I am trying to establish Mr. Chairman, is this - this \$1,200,000. is the complete cost to the Newfoundland Government of operating these aircraft, including gas, maintenance, salaries and everything else?

MR. CROSBIE: That is right, there is more under Health too.

MR. NOLAN: Yes, I should say that there is about \$200,000. under Health.....

MR. ROBERTS: \$225,000. under Health actually.

MR. CROSBIE: Mr. Chairman, now \$1,200,000. is the estimated amount to be paid Atlantic Aviation this year. On what basis is Atlantic Aviation being paid? So much for the maintenance of aircraft and so much an hour flown, or what is it based on? Apparently they will be the employers of all pilots, mechanics and the rest of it. Are they paying the Government rent for the hangars at Torbay? What are - just what is the set-up?

MR. NOLAN: They are not paying rent for the hangars at Torbay. They will be paying, as I said, it is an annual management fee plus this fixed annual charge for each aircraft, and payment for the actual flying hours only. That is the situation, as I believe I mentioned before Mr. Chairman.

MR. ROBERTS: Formerly we guaranteed minimums of so many hundred hours.

MR. NOLAN: Yes

MR. CROSBIE: Yes, we heard about the guaranteeing of minimums, but now the aircraft are owned by the Government, Atlantic Aviation.....

MR. ROBERTS: Ten of them were owned by us before.....

MR. CROSBIE: Now this is a three year operation. According to the Government's announcement originally, this is to phase in this service which is going to be operated and run by the Government itself within three years time. Atlantic Aviation will become the Government's consultant and managing agent in the process of integrating this service fully into Government operation. Is it the Government's intention that in three years time the pilots, mechanics, maintenance men will be Government employees, and will this whole air service be owned and operated by the Government of Newfoundland itself?

MR. NOLAN: Mr. Chairman, that is a very good question. The situation is that Atlantic, as the hon. member knows, presently employs all of the personnel, pilots, mechanics and so on. At the end of the three year period, what can happen is that this Province like so many other, such as Quebec and so on, will have our own air service, or we can continue on under the arrangements that we presently have. My information is that at the end of the three year period, we will have a first class operation going. I am informed by Capt. Piercey, our captain of air services, that we will in fact, if the Government so decides, have our own aircraft services operated by the Government. Whether we will continue with Atlantic or someone else at that time, well if necessary, that is another matter which I cannot answer at this time.

MR. CROSBIE: Well, there will be another tender called, or a request for proposals I presume.

MR. NOLAN: No, not necessarily if the Government decides to continue with, Atlantic works towards, as I understand they are, leaving the Government in the position so that we will be able to operate a first class air service, it will not be necessary, we will just operate our own air service with no Atlantic or possibly anyone else.

MR. CROSBIE: Yes, but if the Governmet decides that it is not going to operate its own,

MR. NOLAN: Well then we will call proposals

MR. CROSBIE: Right, because they would not want to get into a sweetheart situation with Atlantic Aviation, such as it is supposed to have done with E.P.A.

MR. NOLAN: I did not say that.

MR. ROBERTS: It is not my word either.

MR. CROSBIE: Well it was somebody's word, all this sweetheart business.

MR. NOLAN: Well, a colleague of ours

MR. CROSBIE: Now, could the minister tell us what the rental - there is an appropriation in aid - rental of aircraft, \$102,000. down below. Who is that to come from?

MR. NOLAN: We are hoping to derive a little something from the paper companies concerned, this is why this amount is in there Mr. Chairman.

MR. ROBERTS: All the paper companies pay towards fire protection.....

MR. NOLAN: Yes, which is far less than you would suspect.

MR. ROBERTS: They may pay something on their own.

MR. CHAIRMAN: Does 3-01 carry? Carried. 07-01?

MR. ROBERTS: Mr. Chairman, in behalf of my colleague, may I move an increase in this amount from \$100.00 to \$204,000., an increase of \$203,000. The reason for this, Sir, is to enable the Government to purchase from E.P.A. the three aircraft which E.P.A. formerly owned. That means we will now own all of the aircraft in the Government air service. The total price was \$350,000. but we paid \$146,000. out of last year's estimates, and so we have this amount of \$204,000. which we have to pay. The total price was \$350,000. for three aircraft, and that was a little less than E.P.A. asked, about, well from \$443,000. down to \$350,000. so it is twenty-five percent less than the original asking price.

MR. CHAIRMAN: Shall the item as amended carry?

MR. CROSBIE: What about the \$350,000. is that coming back to the Government?

MR. ROBERTS: Mr. Chairman, my understanding is that under the Revenue and Audit Act, we are not permitted to pay E.P.A. anything while E.P.A. owe us any

money. So I understand what will happen is a cheque will be put on a string for \$350,000. given to E.P.A. I think it has been worked out with them, We have worked with the company, who have been most helpful and most cooperative. They will endorse the cheque back to Consolidated Revenue Fund, when the gentleman holding the string will pull it back and it will go into the Consolidated Revenue Fund Mr. Chairman, and E.P.A's debt will be reduced by that amount.

MR. HICKEY: Mr. Chairman, I asked the minister a question with regards to aircraft owned or rented by the Government, operating outside the Province or outside the Dominion. Do we have any?

MR. NOLAN: Aircraft owned or rented outside the Dominion of Canada?

MR. HICKEY: Owned by the Government operating outside the Province or the Dominion.

MR. NOLAN: To the best of my knowledge we have none anywhere other than in the Province or in Newfoundland and Labrador, There was, I believe, a plane in Moncton somewhere, someone mentioned to me, on the tarmac there during the winter, a Canso, but that was for repairs. E.P.A. had that, did they? That was one we bought. To the best of my knowledge.....

MR. HICKEY: Mr. Chairman, possibly the minister cannot answer this or possibly he can, it was before his time, but approximately two years ago there was an aircraft registered through the Canadian registry in the name of the Newfoundland Government, but based outside the Dominion of Canada. It gave the calling numbers and so on, and all pertinent information. This aircraft Mr. Chairman, according to reliable sources has never touched down on Canadian soil.

MR. NOLAN: There is, I have learned from the director of air services, that there was in fact a plane registered in this way, But, the fact of the matter is that this was an error, as verified by the Department of Transport. This has been corrected, I do not know why it was there, but what the hon. member.....

AN HON. MEMBER: It was an error?

MR. NOLAN: It was an error, but how or why it came about I do not know. You are right in what you say; this did happen, but it was an error.

MR. HICKEY: We do not have any there now eh?

MR. NOLAN: We never did have it.

MR. CHAIRMAN: Shall 07-01 carry?

MR. CROSBIE: Sorry, before we leave aviation, the minister will undertake to get the answers to these questions? A lot of them he is waiting to hear from the Department of Mines, Agriculture and Resources. There are quite a few questions yet to be answered about aircraft.

MR. NOLAN: Yes, the hon. member is perfectly right, I have referred a number of the questions, many of them as a matter of fact, where all the information should be and that is in Mines, Agriculture and Resources. I have done that and I have tried to list the questions for the hon. member and as soon as my colleague the Minister of Mines, Agriculture and Resources returns, which should be tomorrow night, I will be very happy to contact him on that.

MR. MURPHY: Mr. Chairman, I am sure that during this session, the minister (I am sure it was in connection with much the same question) said it was very difficult to check back to get answers to these questions in the various departments. Do not the pilots of these planes keep a log of all trips made and are they filed in the Department of Supply and Services?

MR. NOLAN: A log of what? I am sorry -

MR. MURPHY: What trips are made from St. John's to Burin and so on and so forth, are these not registered then, and would it not be easy to make copies of these and supply the House, in answer to some of these questions, as to what trips were made, who the - you know, I know it might be quite a lot, but you do not have to go through a book to check it, I presume it is just a log and he just reports his trips etc.....

MR. NOLAN: I am told that in order to do it the way the hon. Leader of the Opposition suggests, and I am not suggesting that he means exactly the way he said it, because there might be another way, I am told by the Director of air services to do it the way you suggest, but the hon. the Leader of the Opposition suggests something that would take months and about twenty people to do it that way.

AN HON. MEMBER: {Inaudible}

MR. NOLAN: Is this so? The number of trips and so on can be made available. I might say, that as far as for the assigning of planes and so on, what usually happens is that it is assigned to the hon. Leader of the Opposition and he is then responsible, or assigned to my colleague the Minister of Health.....

MR. MURPHY: I do not think it is possible to assign a plant to the Leader of the Opposition.

MR. ROBERTS: (Inaudible)

MR. MURPHY: Oh I see

MR. NOLAN: On official business

MR. ROBERTS: (Inaudible)

MR. MURPHY: Yes, with the minister, but it was not assigned to me or the Leader of the Opposition.

MR. ROBERTS: (Inaudible)

MR. MURPHY: That word is very broad too in its meaning. Thank you.

MR. CHAIRMAN: Does the item carry? Carried.

MR. E.JONES: Mr. Chairman, I move that the salary increases, new post, which now reads \$22,600. be changed to read \$45,900. a net increase of \$23,700. , and when we take into account the earlier amendment of \$203,900. the total for the Department of Supply and services should be accordingly amended to read, \$1,980,500. and I so move.

MR. CHAIRMAN: That salary increases and new posts be amended to read \$45,900. and the total will be amended to take into account the amendments already made. Those in favour " Aye," Contrary " Nay," Carried.

MR. NOLAN: Mr. Chairman, I wonder if in conclusion I could say a word that I had intended to mention earlier but, because of discussion back and forth on various items, I neglected to do so although I had intended to do so at the very opening, and that is that, with the change over now in the Department of Supply and Services, making it Supply and Services rather than the Department of Supply, that it has been necessary in order to bring some of the changes about that I have been talking about for many members of the staff, particularly the people engaged in purchasing and in services, to work many, many hours in order to bring some of the changes about that we

have all been hoping for, and I would certainly like to thank them for the cooperation I have received.

For example; the man who has been with the Department of Supply for many, many years, the gentleman presently sitting to my right is Mr. Gordon Powers, and I think he would be in the service something like twenty-five years approximately.

HON. MEMBER: Twenty-nine years.

MR. NOLAN: Twenty-nine years, and it is interesting to me to note, when checking records of personnel and so on, as I do from time to time, that you have people such as Mr. Powers, Mr. Ralph, who is now the Minister of Supply but in Mr. Powers' case, who would miss six days in twenty-nine years, which I think is quite a record and an indication of the kind of devotion that we have within the civil service. I am very proud to pay tribute to him here today, and also to all the members that we have, and Capt. Piercey, of course, who is now looking after the aircraft, as referred to earlier. Thank you very much Mr. Chairman.

MR. CHAIRMAN: Does report heading 18, Supply and Services with some amendment carry?

MR. SMALLWOOD: There are five items there that we never did carry, page 14. Five items on the top of the page.

MR. CHAIRMAN: Page 14, shall item 101-03-01 carry? carried. 02, carried, 03, carried, 04, carried, 05, carried.

Shall the said items be reported without amendment? Carried.

Head 20, Community and Social Development.

Shall 2001-01 carry?

MR. ROWE (W.N.): Mr. Chairman, I have a general statement on the activities of my department, with the hope of anticipating most of the questions which might be asked. I have copies of the statement which I will be distributing to members after and to the press. I intend Sir, to deal with some of the jabraw, general subheads of the department, as I say, in the hope of anticipating some of the questions, and with the hope of getting the estimates done a little more quickly.

The first major subhead, following those relating to the minister's office and general administration, is planning and program development, 2003. The actual expenditure there was somewhat less than estimated last year, and the reasons for that, as follows. Until August 31, of last year, certain members, Messrs Peckham, Ross and Graham, were on departmental staff and paid from the salaries vote of this subhead. Subsequently, they left to form, with others, their own non-profit consulting company, the Laurentian Institute, and that institute then entered into a contract with the Government to assist us in our planning efforts leading towards the DREE program.

At the time of preparing last year's estimates, Mr. Chairman, it was envisaged that planning was necessary during the last financial year to enable this Province to enter into a five year DREE agreement. As the year progressed, however, it became apparent to both levels of Government that it would be difficult if not impossible to do sufficient planning for a five year agreement during the time at our disposal. This consideration applied to all Provincial Governments concerned. Therefore, detailed planning was not done for a five year agreement but for a one year agreement only. This fact, Sir, together with the one mentioned, accounts for the difference between last year's estimates for consultants, of nearly one half million dollars, and the actual expenditure under this vote of just over \$200,000.

This year we have estimated an amount of \$190,000. for consultant contracts. The reason for this reduced amount for consultation, is that we will be having on departmental staff this year our own team of planners - planning experts, it is hoped, and technicians of that sort. We have received many applications for five planning positions under this subhead, and five of these applicants have been accepted, after interview by a selection board in the department. The terms and salaries of these five positions are presently being discussed and negotiated and the matter is not yet completely finalized.

MR. SMALLWOOD (J.R.): How many will there be on the staff?

MR. ROWE: I beg your pardon.

MR. SMALLWOOD: How many will there be on the staff?

MR. ROWE: How many will there be then?

MR. SMALLWOOD: Of these specialists.

MR. ROWE: There will be five of these, we hope, top flight specialists - planning specialists in the different areas of planning together with some in the Premier's own department who will be using the Department of Finance, but this will be the core of the planning in my department.

AN HON. MEMBER: (Inaudible)

MR. ROWE: Well, one or two. I am not certain on this point yet, but one at least is coming from within the service already. We have had applications from all over the Province and all over Canada, a great deal of interest for this type of work, and I am afraid that most of the people who will be finally coming on, are from outside the Province. They are from Canada, they have done work in New Brunswick, Nova Scotia and Quebec, but outside the Province for the most part. Prince Edward Island as well.

I expect to make an announcement on this very soon, Mr. Chairman. In addition it was indicated to us last year that DREE, the Department of Regional Economic Expansion, would not be contributing in any way to the development of Provincial plans to enable us to avail ourselves of financial assistance from that department. However, they have now agreed in some cases and they have indicated in other cases that they will, in fact, be conducting certain studies related to the DREE program, which the Provincial Government would otherwise have been forced to do themselves, I make mention of this to account for the reduction in planning monies in the estimates. I would not like the idea to get across, as a result of that reduction, that planning is not going to be carried on at an even greater pace than in the past. Therefore, although there is only a token amount noted for appropriations in aid by way of contributions from the Government of Canada, indicating that Canada will not be making a direct contribution to this subhead as we had earlier hoped they would be doing, they have agreed, as I have mentioned, to make certain studies.

For example; the Mount Pearl new town industrial study, forestry studies, mineral concession studies, a study on manpower needs, a study of the greater St. John's area, including the water and sewer needs on the south shore of Conception Bay.

The next general subhead Mr. Chairman, relates to the field services of this department. The field services division is involved in a wide range of activities, designed to provide knowledge and information to local people and local communities so that they can better understand their problems and find possible solutions to these problems. The idea is

MR. ROWE (W.N.)

try to provide services to people and communities which would ordinarily only be available from staff centralized in the Confederation Building. Also, of course, much helpful information is obtained by the Government itself leading to a better understanding of the needs of the people in the development of plans. The Field Services Division currently operates offices at Stephenville, Corner Brook, Port Saunders, Deer Lake, La Scie, Grand Falls, Gander, Clarenville, Marystown and St. John's. The Field Services of the Department of Community and Social Development have field workers in each of these areas.

MR. SMALLWOOD: You must be kidding.

MR. ROWE: No, Mr. Chairman, I am quite serious.

MR. SMALLWOOD: Would the hon. Minister name these areas again?

MR. ROWE: Stephenville, Corner Brook, Port Saunders, Deer Lake, LaScie, Grand Falls, Gander, Clarenville, Marystown and St. John's. Now they, of course, are for the most part one man offices.

MR. SMALLWOOD: Indirectly, they are also used for other local architects and hiring.

MR. ROWE: Right, I will be coming to this later. This field service also helps local development associations to hire people, Competent people to carry on rural development plans, generally under the ARDA agreement. We also intend to take on four additional development officers during this present year in order that each officer will have a smaller territory to cover and will be able to provide a better service again.

We have an arrangement with the Department of Labrador Affairs whereby their resident field staff act on behalf of this department in the same capacity as field officers directly employed by the Department of Community and Social Development. Within their respective regions field staff represent all divisions of this department. With respect to the resettlement program, for example, they provide counselling to persons who are considering moving to another area. Also the Regional Development Officer, as he is called, assists local people in organizing development committees and associations designed to improve the economic and social conditions of various communities. The field worker helps the people concerned to make the necessary arrangements

MR. ROWE:

with the Rural Development Division of this department to put such improvement plans into effect.

In addition, Mr. Chairman, related to this same sub-head, the Department entered into an agreement with Frontier College to provide adult education in various places, more or less on an experimental basis. Under this program eight teachers were provided at Trepassey, Marystown, Port aux Choix and Harbour Breton and these instructors worked at the fish plants by day and engaged in community development and education programs during their leisure hours. Moreover, Sir, the community water services program is administered directly by the Field Services Division, under which smaller, unorganized, rural communities can get assistance in obtaining a satisfactory supply of drinking water. Also related to this division is the industrial development training course which the Department of Regional and Economic Expansion has developed and made available to various groups and organizations in the Province. This course covers such matters as the role of the community in industrial development, organization for industrial parks and so on.

To date five such courses have been held in St. John's, Grand Falls, Corner Brook, Hawkes Bay and most recently Marystown. At the time, Sir, of the printing of the present estimates, it was not certain that the ARDA agreement of 65 to 70 would be extended and therefore there was no assurance of contributions from Canada for the salaries and travelling of field staff. Thus only a token amount is shown for Appropriations-in-Aid by way of contributions from Canada under this sub-head. However, we are now negotiating an extension of the ARDA agreement to cover the period from 1970 to 1975 and until negotiations are concluded and the agreement signed we perhaps should not anticipate a recovery from Canada under this sub-head and therefore it was not put in, although we are reasonably certain, we are sure that there will be such a recovery.

The next sub-head, Mr. Chairman, is that relating to rural development, 2005. A five year ARDA agreement was signed by the Governments of Canada and Newfoundland in 1965 enabling the Province to receive financial assistance for agreed projects designed to upgrade social and economic conditions

MR. ROWE:

in rural Newfoundland. The agreement, as most members are aware, covers such matters as research, rural development staff and their training, funds for programs to increase incomes and jobs in rural areas and so on along those general lines.

One of the fastest growing aspects of the ARDA agreement was the use by local development committees and associations of financial assistance for local development programs. By the end of the 1965-70 agreement approximately 100,000 rural Newfoundlanders were in varying degrees associated with or under the influence of local development associations. The growth of such self-help programs can be indicated in some measure by the fact that during the past two years alone over one-half a million dollars has been spent in direct grants and technical assistance to these associations. The project ideas presented by these local associations and supported by this department are widely diversified including such matters as the construction of longliners, fish holding sheds and greenhouses. We have provided other financial assistance, under this same sub-head, to departments of our own Government, resulting in the construction and expansion of Provincial parks and community pastures.

Last years estimate of over \$1. million for Grants-in-Aid to rural development was based on actual proposals which were to be made to the Federal Government. Not all of these proposals were accepted by the Federal Government and certain projects, such as the Provincial Parks program which was under continuous negotiation between our Department of Resources and Ottawa, did not obtain Federal approval until late in the financial year. Thus it was not possible to spend all the money estimated for expenditure last year and that accounts for the difference between the estimate last year and the actual expenditure.

While the rural development agreement for the period from 1970 to 75 has not yet been concluded there have been approvals by Canada on certain projects which have been carried over into this financial year from previous programs. The amount estimated for Grants-in-Aid to rural development for the present financial year covers these projects which are completely approved by the Federal Government.

MR. ROWE:

The amount shown of \$868,000. in the printed estimates, does not cover any new or proposed specific rural development proposals because at the time that the estimates were printed negotiations were still being carried on with Ottawa. Since we were not clear as to what changes were likely to be made in the new agreement and what types of projects under the agreement would be acceptable to the Federal Government we, quite frankly, Mr. Chairman, saw no point in placing in this vote a purely hypothetical and meaningless amount of money. Once the negotiations have been concluded and the agreement signed, when we are completely clear on the type of projects to which the Federal Government will be making contributions, we shall then make adequate financial provision to carry out the terms of the new agreement.

It may be noted that, in my description of the DREE agreement earlier in this House, we indicated a figure of more than \$1.5 million to come from the Government of Canada, under a rural development agreement for this year and the next financial year. It should be stressed however that this is a tentative estimate at best and the amounts under the forthcoming rural development agreement are simply not fully determined.

I might add on this general topic, Mr. Chairman, that in my opinion the basic problem with the old ARDA concept, and I think most members will agree, was that it was not designed for the specific needs of our rural Newfoundland communities. Rather it is my firm impression that the ARDA Act was designed primarily to accommodate the needs of places like Rural Ontario and perhaps Rural Quebec. Thus, notwithstanding the competence and excellence and hard work of the rural development staff of my department, we were not able, in my opinion, to do as much for the people of Rural Newfoundland, under the old ARDA agreement, as was necessary or as we desired to do. It is my firm position that the new rural development agreement to be signed with DREE in the near future must be designed and formulated with the particular needs of Newfoundland exclusively in mind. I for one have made it clear that the Newfoundland Government can no longer countenance the situation where we in this Province have to twist and turn in an effort to develop programs under a concept which has very little relation, if any, to this Province's rural needs. I feel certain, Sir,

MR. ROWE:

that when the new agreement is signed and prescribed, in a short while the Newfoundland Government's position will be reflected in it.

The next sub-head in the estimates of this Department is Resettlement - 2006. Over the past couple of years I have made general statements regarding the resettlement program and during discussion of last year's estimates there was a very full debate on the whole topic. Therefore, Sir, I do not propose now to enlarge on the subject to any great extent. It will suffice it to make a few general remarks.

The resettlement agreement, under which the program operated during the past five years, expired on March 31st of this year. During the past several months we have been negotiating with Ottawa on a new agreement. This agreement as well has not yet been finalized. We do expect the signing of the new agreement to take place very shortly and, although it is still too early to give all the details, one or two pertinent features can be mentioned now.

The maximum Federal contribution directly to the resettlement program would be raised to \$2.5 million. The sub-head of the printed estimates show a recovery from Canada of \$2,176,000, which is the best estimate available at the present time, taking into consideration all of the circumstances. Depending on the actual number of resettlers and the places to which these householders do in fact resettle, this recovery figure could be greater, up to the maximum of \$2.5 million indicated.

The Government of Canada intends in the new agreement to contribute to a greater proportion of the cost of the resettlement grants, particularly in the case of moves to communities located in the special areas. Under the old resettlement agreement Federal control was exercised by the Department of Fisheries of Canada. Under the new resettlement agreement the Department of Regional Economic Expansion will be the Federal authority. Thus the emphasis on fisheries growth centres, which existed under the old agreement, will be removed and the new resettlement program will now be related more closely to the total economic and social development programs for the whole Province.

I have some figures, Sir, on the operation of the resettlement

MR. ROWE:

program, which may be of interest to hon. members present. Since the beginning of the Federal Provincial resettlement program on April 1st, 1965 up to its expiry on March 31st, 1970 -

MR. SMALLWOOD: Would the hon. gentleman make it clear that this is the date on which Ottawa and St. John's worked together and excludes the period before when only the Newfoundland Government were doing it.

MR. ROWE: That is right, Mr. Chairman. This is for the five year period under the Federal Provincial resettlement agreement which expired as I say on March 31st. Under that agreement and during those five years 116 communities have been evacuated by their former residents. In addition certain other communities, while not evacuated entirely, have had some of their former residents resettle in other areas. The total number of families, which have resettled during the same period, is just over 3,200 - 3,242 families have resettled in that time, five years.

MR. SMALLWOOD: They were brought all of them screaming, most protesting.

MR. ROWE: Most of them, as the Premier knows from his own contacts -

MR. MURPHY: (Inaudible).

MR. ROWE: Oh well, I will not go into that right now, Mr. Chairman, but the hon. member can have his say on that. I have some figures here which he may be interested in as well, Mr. Chairman; if he will allow me to carry on with it. Anyway just over 3,200 families petitioned this Government and ask this Government, of their own volition, for resettlement grants to move to other areas, representing a total of more than 16,000 individual persons who have been helped by the Government to resettle in other more viable communities.

MR. SMALLWOOD: That is an average of over 3,000 a year for five years.

MR. ROWE: That is right, Mr. Chairman, over 3,000 a year. The cost of the Government resettlement assistance to these 3,242 families was approximately \$7.5 million or an average of roughly \$2,300. per family, of which the Federal Government paid seventy per-cent or just under seventy per-cent, about seventy per-cent of the total cost.

MR. MURPHY: \$2,300. per family.

MR. ROWE: Yes, roughly \$2,300 per family.

MR. MURPHY: To which we contributed about thirty per-cent.

MR. ROWE: We contribute thirty per-cent.

MR. SMALLWOOD: \$7.5 million.

MR. ROWE: \$7.5 million for 3,200 families, just over 3,200 families. Now here is something, Mr. Chairman, which hon. members and the press may find interesting. In the past there have been statements made concerning people being forced to go on welfare assistance as a result of the resettlement program. These statements, Sir, I said when those statements were made and I say it again now, are completely without any basis or foundation. This again was indicated in a general way by the Minister of Welfare last year, the present Minister of Health. I have had my officials compile some statistics concerning this matter and they are such as to show that the statement, that people being resettled in Newfoundland are merely moving into welfare areas or welfare ghettos, is simply not true. The following figures will bear out this statement. I sincerely hope that the news media, who are quick to give prominence to some other aspects of the resettlement program, will give some prominence to these figures, in order that the true situation can be known and the other side of the picture can be seen.

Of the approximately 3,200 families who have moved over the past five years, 379 families or about 11.4 per-cent were on able-bodied relief at the time of moving. A check made in February and March of this present year disclosed that only 140 of these same families or 4.3 per-cent were on able-bodied relief. Now I am talking about the same families, Mr. Chairman. This was a decrease of 239 families on able-bodied relief. However, and this fact must be noted as well -

MR. CROSBIE: How about sending us copies.

MR. ROWE: I am going to have copies of all this distributed, Mr. Chairman. However, 82 families not on relief at the time of moving did in fact seek social assistance after their moves. This brought the total number of families on relief during February and March to 222 or 6.9 per-cent, just under seven per-cent of the original 3,200 families who had resettled.

MR. SMALLWOOD: What is that again?

MR. ROWE: I will just carry on, I will look at it from another point of view.

MR. SMALLWOOD: No, just the part the hon. gentleman just read, what does that say?

MR. ROWE: It says that the number of families on relief in February and March of those who had resettled -

MR. SMALLWOOD: In the five years.

MR. ROWE: In the five year period.

MR. SMALLWOOD: 3,200 families.

MR. ROWE: 3,200 families and the number of families on relief of those same families was 222 or 6.9 per-cent of the 3,200.

MR. SMALLWOOD: 200 families on relief, 3,000 families not on relief.

MR. ROWE: That is right.

MR. SMALLWOOD: Of all who moved in the five years.

MR. ROWE: That is right, Mr. Chairman. Of the 3,200 families that did move, at the time of their move 11.4 per-cent were on relief at that time.

MR. SMALLWOOD: So they cut in half.

MR. ROWE: That is right. Thus it will be seen, Mr. Chairman, that the number of families on relief has dropped from 11.4 per-cent at the time of their move to 6.9 per-cent within the five year period after they had resettled. These figures indicate that the number of families on relief at the time of moving had been cut almost in half within the five year period after they had moved. It should also be noted, Mr. Chairman, that while most resettlement takes place during the summer months, when able-bodied relief can be expected to be at its lowest level, the statistics for resettlers presently on relief were compiled during February and March of this year, when able-bodied relief can be expected to be around its highest level. Therefore, a completely accurate picture of the relief situation for resettlers would undoubtedly be even more favourable than the statistics I have mentioned would indicate.

MR. MURPHY: Contact has been kept with all these families over the five year period, has it?

MR. ROWE: That is right, Mr. Chairman. The next sub-head, Sir, is called

MR. ROWE:

Community Amenities, Infrastructure and Incentives - 2008. The only vote requiring general explanation under this sub-head is perhaps the vote called Community Amenities Development Fund. This fund is designed to facilitate the development of housing lots in certain reception communities under the resettlement program and is eighty per-cent recoverable from purchasers of serviced lots. The fund is intended to enable resettlers to move to serviced lots. The recoverable portion of this fund is received by way of the \$1,000. lot supplementary under the resettlement agreement, being used as purchase price for the land by the resettlers themselves.

The final sub-head, Sir, is Regional Development - Implementation and Special Services:- 2010. The vote for Economic and Social Research and evaluation contracts covers contracts entered into with institutions such as the institute of Social and Economic Research at Memorial here or basic research on an evaluation of the activities and programs of my department. This vote is to be distinguished from the consultants vote under sub-head 2003 which is for contracts with individual firms or persons for planning and programing, for development in relation exclusively to the DREE program.

Now, Sir, finally I have already given a fairly detailed series of tables and a description of the DREE agreement for this year both in this hon. House and in a chapter of the White Paper which I recently tabled. Therefore, I will not make any general reference at this time to that program which is described in the estimates as Economic Expansion Agreement Program under this present sub-head. Suffice it to say that at the time during which the estimates were being printed it was expected that the amount indicated in the estimates would be the upper limit of assistance from Canada under the DREE agreement. Subsequently, Sir, we were successful in raising that limit, including a fifteen per-cent margin, to more than \$47. million as against the \$36,650,000. shown in the estimates. This also means that the Appropriations-in-Aid by way of contributions from Canada is raised from \$25,340,000, indicated in the estimates, to \$35,650,000. Therefore the total for sub-head 2010 is to be changed from \$11,371,000. to \$11,845,000. It might be indicated that, although there is only a net change of \$500,000. which has to be found by this Government, a net

MR. ROWE:

increase of \$500,000., the gross increase for the sub-head is in excess of \$10. million, which indicates that we were successful in getting \$10. million more from Ottawa, after the estimates were printed, with very little increase to the costs of the Provincial Government.

The difference between the Appropriations-in-Aid figure and the total DREE agreement figure is made up by loans from Canada to the Provincial Government at Federal Government rates of interest. The amount shown as the net for that sub-head does not have to be borrowed by the Government by going on the market, rather it is made up by loans from the Government of Canada at Federal Government rates of interest payable over a long period of time.

One of my colleagues, Mr. Chairman, will be moving that the estimates be amended to incorporate the changes indicated and that the total for the Department of Community and Social Development be changed from \$13,801,000. to \$14,274,500. I have copies of this statement, Mr. Chairman, for members of the House who are interested and for the press.

MR. MURPHY: Mr. Chairman, I would like to thank the Minister on behalf of all of us for his very fine statement. I have just a few words on the statement itself and possibly when we get down into the details we can ask further questions. To me, at first glance, the Department of Community and Social Development seemed to be a rather superfluous department -

Mr. Murphy.

It is rather an ideological department, if you like, when we see submissions like this that take in just about everything from education to economic development so on and so forth. And after reading this, we wonder, what the heck we need all the departments for in Government. It is very closely tied, I would say, particularly with the Department of Municipal Affairs and with Provincial Affairs because it deals with the community in itself and the development of the community on a community and social level. I just made a few notes as the minister was going through - his figures were attached in this statement so we can judge these. But I was rather amazed, quite frankly and perhaps I might be enlightened later on - we had 116 communities evacuated, consisting of 3,242 families and that approximately was 16,000 persons from various areas brought into growth centres so on and so forth, at a total cost of \$7.5 million of which seventy per cent was contributed by the Federal Government and the balance by us. The average per family - average cost or average grant, if you like, was \$2,300.

Now anybody living outside, say on an island wherever it was, I presumed, received approximately \$2,300 - the average of \$2,300 to move to the mainland or, you know, wherever it might be. Only the other day I was going through some items and I started to try to figure out, any man living in an area, any family with a home of their own, a home and in most cases well built homes was brought into an area whether it be the Placentia area, Arnold's Cove or wherever it was - given \$2,300 to establish a home..

MR. SMALLWOOD: Move their homes..

MR. MURPHY: All right, they moved their homes. All right say they did move their homes, if they did not - I am talking about the people. I am

MR. MURPHY.

thinking about the business people on these islands. I do not know if there are any special deals made - business people who had stores possibly. It is not only homes. I presume a lot of these people had flakes. some property such as fish/ They call them stages now, but they were called fish flakes and stores and this type of thing and I fail to see how we arrived at a figure like \$2300 as being adequate to reimburse people whom, a great many, I presume, over a great number of years, had developed their homes and the main things that go with it. How is the figure arrived at of \$2300? I think actually. it was \$1500, in the first instance, depending, of course, I think on so many in the family and so on and so forth.

MR. SMALLWOOD: It is down as low as \$100 ..

MR. MURPHY: \$100?

MR. SMALLWOOD: Right up to \$5,000.

MR. MURPHY: Right up to \$5,000.

MR. SMALLWOOD: Up to \$6,200.

MR. MURPHY: I was just trying, Mr. Chairman, to evaluate or try to compare what it would cost a transplant or someone who is being resettled in providing a home, comparable to the home he had built where he had left and the other things - some have barns, I presume and stores and so on and so forth, perhaps stores to house their equipment, whether it might be farming or fishing equipment, so on and so forth. I am just wondering how these people were expected to sort of assimilate themselves into an area - how would they be with the new housing that was supplied? I presume there were many hundreds of homes supplied under this agreement.

These are some of the questions, possibly, that we might come to and get some of the answers as we get down. There has been great criticism the of, resettlement program from various areas. Perhaps not all was justified.

According to the minister the very fact that out of 3200 families that had been moved, 379 were welfare families at the time and out of these, there are only now 140 that are on welfare. In other words 239 have improved

Mr. Murphy.

a lot by getting gainful employment, I presume. But there is an extra eighty odd that have gone on welfare through some reason or another. So basically the net gain has been 157 families - the 379 who were on welfare before they were resettled, and now it is brought down to 222 after resettlement.

MR. SMALLWOOD: Look at the children in the schools to see the real gain.

MR. MURPHY: If I could be permitted, Mr. Chairman, I mean the Premier always wants to get in something about, when the minister is speaking. Now would you repeat that again?

MR. SMALLWOOD: Yes.

MR. MURPHY: Would you repeat that again?

MR. SMALLWOOD: Yes.

MR. MURPHY: This as we all know is for the best for our people up there..

MR. SMALLWOOD: Is there anything wrong with that?

MR. MURPHY: Nothing in the world. I wish someone would repeat my name.

MR. SMALLWOOD: Very helpful is it not?

MR. MURPHY: Yes. I wonder was I present in the House this morning. They did not even give my initials on any of the news bulletins, not talking about my name. I spoke for about an hour and a quarter.

MR. SMALLWOOD: The hon. gentleman has to remember that a member of this House has not merely to stand on his feet and occupy certain time. He has also to say something.

MR. MURPHY: Well the great news item today was the Premier..

MR. SMALLWOOD: Oh! was I?

MR. MURPHY: He felt so badly about having to agree with the hon. - this was the great headline on the news today.

MR. SMALLWOOD: I did not hear it.

MR. MURPHY: About the Premier's...

MR. SMALLWOOD: I missed it.

MR. MURPHY: His utter reluctance to agree with the hon. member for St. John's West.

MR. SMALLWOOD: It is disgusting. I did not have a chance to hear the news..

MR. MURPHY: But to carry on, Mr. Chairman..

MR. SMALLWOOD: Well, well, well. They starred me did they. Co-starred me? Yes, Roleo and Juliet .

MR. MURPHY: Roleo and Polio. But I am just trying to establish, Mr. Chairman, here, if I can get a chance to do it. The fact that according to the minister's statement there are so many people who have improved their lot by moving, the Premier interjected first to say about the schools so on and so forth. I think we must agree that facilities are more available on the mainland, but more readily available. I have spoken to some - I do not say I have spoken to 3,200 heads of families, but I know some of the people that I have been speaking with, particularly, from islands in Placentia Bay, and they did not feel that they were too well off for their move. There might be other areas. Actually, I do not know where all these people fitted in and where they got the jobs. I know in my hon. colleague's district there, perhaps, Fortune - the Fortune, Grand Bank area, no doubt about it.

I think it was a tremendous move for them. They were a very viable community. But other parts of Newfoundland, I would like to see just what the actual statistics are. I doubt if any of these welfare families, actually, came from the Burin Peninsula. The plants in Fortune, Grand Bank are, as I say, going concerns at the present time. But what I started out to discuss was the actual fact of evaluating property as such or was everybody just given a grant across the board? Did we look at the various homes and this man or this lady or whatever the case might be had a fine, well-built home -

Mr. Murphy.

did we figure out what this home - the value of replacement? I am back again to what happened on the Blackhead Road and what happened in St. John's Centre, where we just said, "look, we are going to move out." Of course, we always have the statement by the Government that no one was forced to move. No one was forced to move - not taken by the scruff of the neck or the seat of the pants. But there are other ways to force people then actually do it bodily like that. I presume that a certain section of a community wants to move and perhaps the teacher - it is difficult to get a teacher then and perhaps the little grocer there or the little storekeeper, perhaps his profits are going down, and he finds that he has to move too. I am just wondering about these men in particular who are as much a part of the community as anybody else - I am wondering just how they were reimbursed and what table we used to reimburse that type of person. Was it done purely right across the board so much for man and woman and so much for child or did we go in and evaluate the actual value of the property that this man had created over a lifetime? There are differences in human beings, we know. Some are far more industrious than others and put their life's work into creating something. Perhaps, he had a little garden with some vegetables and perhaps he had a fair amount of fishing and property around that he was earning a living to exist on and possibly, when we get down to this area, we might get some explanation on these two matters that I have brought up.

MR. CRÖSBIE: Mr. Chairman, before we leave this general item, I would like to ask the minister some questions, if he would be good enough to answer them. I want to look at some of the statements that the minister has made to the House since the House opened. There have been quite a few statements made by the minister and a lot of stuff packed into them, and just reading the statement over does not always answer all the questions.

Now the first statement was April 15th., 1970. The minister made a statement. There was not much in that one except that the agreement was not ready for signature yet so he could not disclose the details.

Mr. Crosbie.

On April 22, 1970, the minister made another statement that there had been an agreement - an \$82 million agreement on development projects in Newfoundland. The agreement was signed April 21. Now this is the one year agreement, presumably. A two year -no ...

MR. ROWE (W.N.): One year.

MR. CROSBIE: One year.

MR. ROWE (W.N.): But some of the commitments are carried over.

MR. CROSBIE: Yes, it will take two years to carry out some of the things, but it is a one year agreement. And \$31 million grants and \$10.2 million in loans this year - \$31 million in grants and \$9.4 million in loans next year. Now that covers projects in eight special areas recently designated in Newfoundland to get highway construction. A lot of them are for highway construction, which is good - the Burin Peninsula road, Baie Verte road and so on.

Now all the highway construction is, as I understand it, 100 per cent from Ottawa that the minister has announced. We have to acquire the land but otherwise it is Ottawa. That is certainly a terrific thing, and a number of forest access roads. The minister went on to say that the Federal Department of Regional and Economic Expansion contributes to the development in the Province through its industrial incentives and through its financial support or resettlement, of ARDA projects. Can the minister tell us, when he gets a chance now, how many industrial incentives have been agreed to by the Department of Regional and Economic Expansion or ARDA for here in Newfoundland during the last twelve months, or last year?

In other words, these are projects that have nothing directly to do with Government. This is where private individuals or companies established some industry, and they are entitled to certain grants from Ottawa - how many of those were there in the last year - the last financial year and what is the prospect? I wonder - the question is still not answered - perhaps, the minister could answer it for us. Is there to be an ARDA grant or industrial incentives grant for the Melville Project for Stephenville?

Mr. Crosbie.

That seems to be the only large one. Well it would be interesting to know whether Newfoundland Forest Products at Hawkes Bay and at Stephenville, whether they got grants either?

MR. ROWE (W.N.) Can I just deal with that, before you go on?

The problem with this, of course, I am quite willing to give the hon. member in the House all the information that I have the power and the will to give. The problem with it is; these grants are made directly - they are applied for by industries settling in the Province in Newfoundland - directly to DREE, to the Department of Regional and Economic Expansion, and the department itself, without reference to us in this Government or to anybody else, decides whether it is going to give the grants or not. Then they make the announcements, I happen to know that there are some on the board. I know people come to see me about them. I, ^{have} talked to DREE officials around, Mr. Miller down here, our Newfoundland representative with DREE has perhaps indicated to some of my officials that certain people have applied, But for me to give that type of information, I think, would be arrogating to myself of a power that I do not have.

I would suggest that the hon. member talk to Mr. Miller, the DREE representative down here, or directly with the officials in Ottawa on that particular point.

MR. CROSBIE: Well does the minister know how many there were last year or what?

MR. ROWE (W.N.) I have a vague recollection of it, but I can certainly get that figure, Mr. Chairman, and give it to the hon. member, perhaps tonight.

MR. CROSBIE: Well then our own Provincial department has nothing to do with the industrial incentives that are granted under...

MR. ROWE (W.N.) Nothing directly except to facilitate them.

MR. CROSBIE: If people want help in making an application and something like that, the minister's department will help them.

Mr. Crosbie.

Then in that same statement of April 22nd. the minister said that the agreement established a joint planning committee through which the two Governments expect to develop a four year plan for the special areas covering projects to be started next April onwards. Is that joint planning committee now established and if so who is on it?

MR. ROWE (W.N.) I will get the information. Sir, I can now tell the hon. member that a liaison committee has been established to try to get into operation as quickly as possible this year's projects. Now the planning, the joint planning committee has not yet been finalized because we are presently concentrating on getting this year's agreements on the road. But, I think, it should be finalized pretty soon if, in fact, the Federal members have been appointed. I have received a letter from Mr. Marchand, as a matter of fact, in the past week or so, which he mentions that he now has the Federal members to that board in mind and would we submit to him what we have in mind. So it is just a matter of doing that. The only reason it has not been appointed at the present time is because we have been concentrating on the getting into operation of this year's agreement as quickly as possible.

MR. CROSBIE: Well with this joint planning - our representatives, are they - are these people going to be Civil Servants or ministers? Nobody - is it planned to have anyone outside the Civil Service or is it likely that they all will be Civil Servants? - all Civil Servants.

MR. ROWE (W.N.) All Civil Servants, at least, in Ottawa. It will probably be the same here.

MR. CROSBIE: Now this joint planning committee, does that just plan or does the joint planning committee have to agree on what is going to be done under the program? It is just strictly a planning committee?

MR. ROWE (W.N.): Strictly planning, referring things to the minister concerned.

MR. CROSBIE: All right. When the minister had additional remarks attached to that statement - let me see - there could be an additional \$6 million spent

Mr. Crosbie.

There is a fifteen per cent leeway. That is to provide for, if tenders are called and the prices are higher than expected, that is what the fifteen per cent is for, is it?

Development

You are still negotiating the Rural Agreement with DREE. That is nice.

MR. ROWE (W.N.): I referred to that statement ...

MR. CROSBIE: Now the minister made a little slip there at the end of those additional remarks. I called attention to it before. He was boasting about the fact that we were going to get more than New Brunswick under our first DREE agreement. He said it was very much to the credit of the Newfoundland Government and its officials. I have a note there that says, "nonsense." The reason being that New Brunswick had entered into two FRED programs which meant that New Brunswick is really ahead of Newfoundland. Its first DREE agreement - DREE program may have been a bit less in terms of money, but it is ahead of us, because it has gotten the Mactaquac and the other ARDA projects underway, and they have been for several years. But that is just by-the-bye.

MR. ROWE (W.N.): Did the hon. member see the Quebec agreement? Has he heard of the Quebec agreement? That is \$52 million..

MR. CROSBIE: \$52 million.

MR. ROWE (W.N.): For three special areas.

MR. CROSBIE: Well we have to forgive the minister for these little slips in his enthusiasm, Mr. Chairman. I think it is excusable.

MR. WORNELL: What is the feasibility ...?

MR. CROSBIE: Feasibility.

MR. ROWE (W.N.): \$225 million for fifteen years.

MR. CROSBIE: Then the minister made a statement on April 30, Mr. Chairman, and each time he makes a statement, they get more lengthy. That is one thing we have to give him credit for. This one has a lot of information in it. On April 30 of this year - I just want to ask some questions on it.

Mr. Crosbie.

The minister gives a detailed breakdown of what the money is going to be spent on: forest access roads, \$270,000. Now forest access roads - is that to be 100 per cent from Ottawa.

MR. ROWE (W.N.): Fifty/fifty.

MR. CROSBIE: Fifty/fifty. These are roads to enable logging contractors, sawmill owners to go in and cut wood. They do not have the finances to put the roads there themselves. This is to help them. It is a good idea.

MR. ROWE (W.N.): I might also add, Mr. Chairman, that if we can ever get the ten year situation straightened up in this Province, with regard to holding of timber rights, we get far more money under that head. We were let down very badly, in my estimate, by a previous minister in Canada who had more or less committed his Government to, I think, \$30 million to help buy back...

MR. SMALLWOOD: Well the amount was not final, but it was of that order.

MR. ROWE (W.N.): Right. To buy back, reclaim, repurchase the timber limits and we were let down badly on that, but we are presently trying to work out another deal with DREE, with our Government and with the companies concerned, although the real arrangements are being made between DREE and ourselves now. I do not know if the paper companies have been formerly approached on it whereby we can work out some kind of a sensible equitable title holding of these - rights holding, of these limits, which will allow DREE, once they become Crown lands, to put, I would say, fairly massive amounts of money into forest access roads and Crown lands. Presently, as you know, Mr. Chairman, they will not build roads over privately held land..

MR. SMALLWOOD: Or if not the change of title, certainly a change of control.

MR. CROSBIE: Well then these forest access roads are on Crown land, at least

Mr. Crosbie

these are not to be built for Bowaters or AND or someone like that. They are built on Crown land where somebody has a right to pit props or wood for sawmilling or some purpose like that. That is badly needed. So that is a good step.

In a couple of pages further over, table (2) the minister has outlined: Municipal Infrastructure Programs; A(1) is the Mount Pearl, Newtown Industrial Park and in 1970-71, there is an amount of \$ 141,000 to be spent for internal servicing; \$83,000 trunk sewer and in the same year a loan of \$220,000 for something called: advanced factory. Could the minister tell us where is the water coming from for the Mount Pearl, Newtown Industrial Park or for the town itself? Is it to come from Bay Bulls Big Pond or where is the water going to come from if that is known? Secondly, what is this advanced factory? Has some factory agreed to - has some enterprise agreed to go in this industrial park?

MR. ROWE (W.N.): The advanced factory, to answer the last question first, is merely - it is going to be a shell building set up whereby space can be made available either by purchase or by hire for small, light industrial factories, industrial companies to get in there, under one roof, probably to use certain equipment in common. It is more or less an experiment. On this whole matter, Mr. Chairman, I might say that to follow up with the Leader of the Opposition - he is talking about the Department of Community and Social Development generally and how closely it was linked to various departments and therefore, by implication, I think, he said, it should be, perhaps, wiped out of existence. I would say that the Department of Community and Social Development merely serves, Mr. Chairman, as a focal point for planning and for expenditure with regard to our negotiations with DREE in Ottawa. In other words, we get, in the Department of Community and Social Development plans from all the line departments in the Government and from outside the Government, which we try to compile in some sort of a systematic fashion and negotiate with

Mr. Rowe (W. N.).

DREE officials and with the ministers in Ottawa and other officials in Ottawa. Once the plans are agreed to, the money comes down and is funneled into the Department of Community and Social Development and is then fanned out once more to the various line departments. So, I would ask hon. members, when they do have questions on some of the things contained in this year's DREE program, to bear in mind that I am not the minister responsible for implementation of all these various programs. The ministers, like the Minister of Highways, the Minister of Public Works, the Minister of Education, the Minister of Municipal Affairs, are the ones who have the money sent to them from my department - the money having been negotiated and obtained - sent to their departments, and they are then responsible for the carrying out of these projects, just as they would be under any purely Provincial program.

Now this is not an attempt on my part to slide from under the responsibility to ask questions. It is simply that in many cases I will be as grossly ignorant of the Highways Program and the details of it as would the Minister of Education be, perhaps, about that same program. My responsibility, except from a general Cabinet level, ends when we have obtained the money and then we give it to the line departments. I would ask hon. members to please bear that in mind, if I do not appear to know too much about the actual implementation of some of these programs.

MR. CROSBIE: You do not know where the water is coming from?

MR. ROWE (W.N.): From Bay Bulls Big Pond, I think, remembering from a plan I saw a year or two ago.

MR. CROSBIE: Well that is understandable, Mr. Chairman, as the minister explains it.

Mr. Crosbie.

He cannot be familiar with every detail. This will be carried out by the Newfoundland and Labrador Housing Corporation, presumably. Well there is a Corner Brook Industrial Park - I was going to ask the minister, where is that located in Corner Brook. Does he happen to know where that is...?

MR. ROWE (W.N.): I have a vague idea but then again..

MR. SMALLWOOD: Ball Diversion.

MR. CROSBIE: Ball Diversion.

MR. ROWE (W.N.): It is up around Ball Diversion, but I would suggest that the Minister of Municipal Affairs would perhaps know...

MR. CROSBIE: Well we will try to ask that minister some questions the other day and....?

MR. ROWE (W.N.): I can undertake to find out the answers to these questions..

MR. CROSBIE: The next question and not in too much detail. It shows residential sites programs for different areas of the Province, like Hawkes Bay, residential land, \$38,000; Port aux Choix, \$38,000; Happy Valley, \$38,000 and there are going to be water systems at Hawkes Bay and Port aux Choix. Now the amount for the residential land did not seem like very much, \$38,000.

MR. ROWE (W.N.): The acquisition of land mostly.

MR. CROSBIE: That is just to buy land up...

MR. ROWE (W.N.): Then after that CMHC steps into the picture.

MR. CROSBIE: It has to be serviced. Right?

Now where municipal water and sewer systems are shown, there would be a fifty per cent grant that the Federal Government is going to make and a fifty per cent loan to the municipality, which we expect to repay over twenty years.

MR. ROWE (W.N.) We have not worked out all the final details on the financing of it. Some places, i.e., St. Lawrence is mentioned there. Well, St. Lawrence, if I understand correctly, already has a water and sewer system in existence. To expect the people of St. Lawrence to take on the additional burden of another water and sewer system would perhaps be beyond the bounds of commonsense. They need it because of the peculiar circumstances down there. I would suspect that the Provincial Government will end up carrying that load. This may apply to one or two other communities as well. But where possible, the local community, the local school board or the local community council, will undertake to pay for as much as possible, the Provincial part...

MR. CROSBIE: Right. Now there is an industrial water supplies program which shows Stephenville is going to get water supply - \$1.8 million this year and \$500,000 next year, and it is shown as loans.

MR. ROWE (W.N.): Right.

MR. CROSBIE: Who is that a loan to?

MR. CROSBIE: The Government of Newfoundland, this is presumably to supply water to the Melville Pulp and Paper Mill?

MR. SMALLWOOD: To be paid for and to be paid back by them.

MR. CROSBIE: By water charges.

MR. ROWE, (W.N.): But the money comes to the Provincial Government, and then we get our money reimbursed from the company.

MR. CROSBIE: Is that project started yet - the construction of the water supply system -

MR. SMALLWOOD: No, they have just left the contract to the engineers, that has been left.

MR. CROSBIE: This is a planning you mean, engineers to prepare the detailed plannings.

MR. SMALLWOOD: That is right, the original engineering was done by Engineering Resources Company of Toronto, and they have let the contract ^{as} to some other engineering company, to the actual design.

MR. CROSBIE: Right. Well, then there is a list of schools, which we are all glad about, I will not read the list. But does the minister have any later information now on when tenders may be expected to be called for some of these schools? There are three in St. John's, Creston, Grand Bank, Marystown, does the minister know what kind of progress is being made there?

MR. ROWE, W.N. We are being a little quicker off the mark, on such things as highways, because in many cases we have been languishing, this Government has been languishing for years for an opportunity to put its detailed specifications into operation, All they needed is the money. In other cases, such as schools which come under denominational control, and in the case of vocational training schools, there is a matter of getting the plans and specifications completely detailed.

Now we are running into one or two snags in those areas, getting the plan and specifications approved by the Ottawa representative on the Liaison Committee. I am not saying that the problems are insuperable by

MR. ROWE, W.N. any means but they are, there is no doubt about it, these Ottawa civil servants (and I do not care who hears me saying this) do not have to much concern, in my opinion, for getting the job done. They have more concern with making sure that, if the job is done that it is done in accordance with the dotted "i" and the crossed "t" of every little piece of contract that there might be. Now that is a laudible way for people to carry on, but it is also necessary, I think, to get the job done and in some cases, I think, in vocational training for example, we foresee some delays which are not going to be tolerated too well by this Government or by the people concerned, because they are dragging their heels on it. It will probably necessitate some strong representation being made by ministers in the Government, on a delegation to Ottawa, to talk to some of the more sensible political heads of the Government up there, to get these thing rolling or to get them on the road.

MR. CROSBIE: Well I certainly can appreciate the minister's concern, because, as he knows, the construction season here in Newfoundland is well underway and if some of these tenders are not called soon, there will not be too much progress in construction this year.

Well there is a program here called the "Internal Roads Program In Special Areas", St. John's Harbour Arterial, design and construction \$1,300,000. That is this road from the Harbour of St. John's up to the Trans-Canada Highway. Land Acquisition, loans \$1 million. Now that will be a loan to whom, the City Council of St. John's or a loan to the Government of Newfoundland ?

MR. ROWE, W.N. In the first instance it would be a loan to the Government of Newfoundland, perhaps earmarked, It will go to the council or whatever other authority is involved there. There is a very small amount of money, you might notice, Mr. Chairman, in that particular expenditure under DREE

MR. ROWE, W.N. for this year, because there is a great deal of detailed planning to be done. We know pretty well where it will lead, the Trans-Canada Highway, but where it is going to enter the city is posing a great number of problems, that I do not mind mentioning. For example, it is to the Newfoundland Government's advantage to make the road as inexpensive as possible, and thereby lowering the cost of acquisition of the land, because this is our responsibility, although we get a loan from Ottawa to acquire the land. Therefore, it is to our advantage to practically put a road on stilts all the way along there, above houses and everything else, along the Southside Hills, so that the cost of land acquisition, which is our responsibility, is as low as possible. Naturally we are going to get argument from Ottawa on that score. They will want to make the road certainly as good and efficient as possible, but inexpensive as possible. So you can see the kind of a battle, a head-on consultation that is going to be, on that aspect of it. This is why the amount is fairly low this year, until all these problems are ironed out. And we will probably start this year towards the Trans-Canada Highway's end of it. because we know where that is going to start but we do not know where it is going to enter the city. So once the details and the specifications are finally concluded, let us go right ahead with it next year.

MR. CROSBIE: Well thank you, Mr. Chairman, I would say that in a lot of instances much of this construction will not start really or get very far underway until next spring. And probably certain events that we are all waiting for will not take place until next spring either.

MR. ROWE, W.N. I would not go so far as to say that, Mr. Chairman. Late fall this year, this summer and fall. The hon. member should not take my efforts, to be as candid as possible with him, and exaggerate them to the other extreme. I am trying to be as realistic and as basically honest about the whole thing as possible, but I would not want to see what

MR. ROWE, W.N. I am saying exaggerated out of proportion and perspective altogether.

MR. CROSBIE: We certainly would not want that.

MR. ROWE, W.N. No, I know that.

MR. CROSBIE: No, I would not want to see that either. The minister has made too many statements here that are very clear.

Here is something that we should be told about, the statement said there is also a provision of a \$3 million commitment under ADB for an engineering school at Memorial University. Does the minister know if that is going ahead?

MR. ROWE, W.N. Yes, I do not want to scoop the hon. Minister of Education, but it is going ahead, yes. It is his duty to announce those things.

MR. CROSBIE: Well the Forestry School at Memorial University will be going ahead this year, is that what the Minister of Public Works meant? Or the Engineering - Is it Engineering or Forestry?

AN HON. MEMBER: Engineering.

MR. CROSBIE: The Engineering School - is the minister confirming that? It is for the university? Yes, right. Then, Mr. Speaker, there was a statement, May 19, to tell us that the DREE Program was not yet ready, not yet signed and not yet ready to go into operation. All that will happen later in the present year.

MR. ROWE: The main DREE Program.

MR. CROSBIE: Right! Not this one-year program. There is an intensive study being made of the whole area, Conception Bay Shore Area, which is good news - the South Shore of Conception Bay. So of course it will take this year to study that, to see what should be done about it. There are other water and sewer projects needed, and the minister is making representation to have them included in the main DREE Agreements, but these are not agree to as yet, such as Bay Roberts. There are three other special areas which are not yet agreed.

MR. ROWE (W.N.): Although we do have an informal commitment by DREE.

MR. CROSBIE: All right! Well then, to try and conclude, the minister gave us a white paper on June 8th., which I have not had a chance to read yet, I have read several synopses of it by Mr. Ray Guy, in the "Evening Telegram" -

MR. SMALLWOOD: That should be good. That should really be good.

MR. CROSBIE: And Mr. Wick Collins had a synopsis -

MR. SMALLWOOD: And that should be better.

MR. CROSBIE: so I am looking forward to -

MR. SMALLWOOD: Deeply objective and factual.

MR. ROWE, W.N.: I would advise the hon. gentleman to read it himself, if he wants too.

MR. CROSBIE: The minister thinks that it is better to read the actual document. Then I will take his advice when I get a week or two of free time, Mr. Chairman.

MR. SMALLWOOD: First of all, it is better to read everything you get, not get thoroughly prejudice against it and then read it.

MR. ROWE, W.N. He will be pleasantly surprised.

MR. CROSBIE: Well let us see - The minister is not yet in a position to tell us who his five planning experts are, That is what I get from today's statement.

MR. ROWE, W.N. No, Mr. Chairman, as I mentioned in my statement today, a minute or two ago, we have five who were considered acceptable to a selection board, consisting of some senior civil servants of my department and other departments. We know that they have accepted but they have not yet formally accepted it by letter. In the case of one; there is a little more doubt, as to whether he will accept it or not. In another week or two, I should be in a position to announce the appoint of five planners for my department.

MR. CROSBIE: The minister described in his statement today what his field workers do. And I just got this point and one other; whether there is any rivalry between his departmental field worker and the extension service of Memorial University, or are they operating in different fields? They seem to be doing somewhat the same kind of work. The minister might comment on that.

And one other suggestion, the minister in his department has the Community Water Services Program, which is a program carried on now for a number of years by the Government, of digging wells in certain areas that are not incorporated municipally and seeing that the communities get a water supply. It used to be in Municipal Affairs, and Municipal Affairs were very anxious to get rid of it. We tried to get the Department of Health to take it, and they would not take it and, after I left Municipal Affairs sometime, they slubbed it off on Community and Social Development. And it seems to me, Mr. Chairman, that this community water services program should really be under the new Newfoundland and Labrador Water Authority because I feel that that authority should now have the control over all services that have to do with water, sewerage, outside municipal areas perhaps, and pollution and so on in Newfoundland. So is the minister giving any thought to perhaps having that moved now to the Water Authority, where I think really it should be?

MR. ROWE, W.N. There are two points on that; One of them is that we have a field service in the department which I have already referred to, It is perhaps better equipped to deal with this type of thing than was Municipal Affairs and better perhaps than did the Water Authority.

The second thing that it does, strangely enough the rural community water services does fit into some of the concepts of our department to this extent, that with some of the problems with some of the rural communities in the Province in that there has been a reluctance for some of them to become organized in any way, to approach their problems,

MR. ROWE, W.N. economic and social problems, from an organized viewpoint, wherein they can have a meaningful dialogue with the Government departments on that. And we found that by our requirements that a water committee be organized in the communities where the wells are being dug or the hose is being supplied, this has served to develop into something a little broader, a little more essential as time has gone on. The committee stays in operation in order to look after and maintain the water system - very often the only form of organization some of the smaller communities have ever had. They are not community councils, they are not likely to become community councils. Some of them are too small for that, and there seems to be in many of them any innate prejudice against that type of organization. But requiring the water services type of organization, they have gone on and formed the bases for membership in rural development associations and area development associations. So it does fit into the operations of the Department of Community and Social Development a little more than the title or the basic nature of the operation would indicate at first sight. Also our field service, of course, is equipped, has been familiar with the rural communities, to be dispatched, immediately upon receiving a request to the area and to size up the situation. As a matter of fact, we hope later on, if not this year then next year, to get an engineer on the staff, and a surveyor of some sort, someone competent to deal with this type of thing - to be at our beck and call, who can go out and size up the situation. Now we are dependent upon Municipal Affairs engineers and technical staff.

MR. CROSBIE: Did you ever get that rig back that went up to St. Barbe North some three or four years ago? They have never been seen again. They have been digging ever since.

MR. ROWE, W.N. I have heard though that the District of St. Barbe North and White Bay North are in grave danger of subsiding into the sea as a result of so many holes being dug.

June 15th. 1970

Tape 1252

PK - 8

MR. HICKMAN: Mr. Chairman, just a few comments on the statement that has been made by the hon. minister under the various headings. And one of the headings that I think is of paramount importance to the functioning of his department is the vote for resettlement. Now we hear

MR. HICKMAN: great cries and I think most of them are ill-founded about the disadvantages that follow resettlement. The few unfortunate occurrences appear to me have to do duty for all of the resettlement programs, which is quite wrong. I think that the Government of Canada, by insisting on their being designated growth areas, shows that what it really wants and what we must have if the resettlement program is going to be meaningful. It is not simply to move people off Islands or out of isolated communities into an area but hand in hand with that must go the development of the community and industrial services of that area. And it seems to me that the program to date has been pretty much of a hit-or-miss affair. A particular town is designated as a growth area, or alternatively, an industry starts in a town, and the industry having started there, then it becomes prudent to declare this area a designated growth area. But if this Department of Community and Social Development can tie together all the loose ends, then I think the criticism that follows of some resettlement programs could very rapidly disappear.

Now one very good example of lack of planning and one department not knowing what the other is doing, can be found in Trepassey. Trepassey is an area that became an industrial center pretty much on its own. Fishery Products decided to go into Trepassey and to build a fish plant -

MR. SMALLWOOD: Very much on its own. Every single individual dollar in this Government - every dollar - They did not even put one dollar -

MR. HICKMAN: The decision to choose Trepassey, and the decision to build a fish plant in Trepassey was made solely and exclusively by Fishery Products. And having done that, they go to Government and they ask for certain Government guaranteed loans. And then they got the Government guaranteed loan. But here is where, Mr. Chairman - all right Mr. Chairman - but this having occurred, here is what we find in Trepassey. Trepassey has all the potential of a growth center. It has a very viable plant. The location with relation to the deep sea fishery is excellent. But the plant nor the people employed in it or around it, or the people in Ferryland district and part of St. Mary's district, are not getting anything like the employment opportunity that

should be available and could be available in Trepassey if the various departments of Government had any idea of what the other was doing. Now here is the situation in Trepassey as of Saturday afternoon: Forty percent - I repeat this - forty percent of the work force in the plant at Trepassey reside in and around the town of Trepassey. To make a fish plant viable two ways - to make it viable for the people who work in it, so that they can get the maximum amount of work out of that plant, and at the same time to make the plant viable from the point of view of the operator, and to make it viable for trawler crew, so that they could get into port and get their catch discharged and processed, it is desirable to ^{have} eighty-five percent of the work force living within the greater municipality area where a plant is located.

The trouble in Trepassey is very clear. Number one; the housing development that was started there by Government and by Fishery Products - and I do not know who started it. One started it and another took it over, and it went back and forth. It is woefully inadequate to take care of the needs of the people who want to move in there and become permanent residents, and seek permanent employment in the town of Trepassey. Then again, if you are going to have a viable community, and if you are going to have an attractive community, obviously the obligation also falls - you know, if Government is going to take credit for the industrial growth of Trepassey, then also, it must assume the responsibility for providing the social services. But in Trepassey, as the hon. minister of Health is aware, there has not been and I do not think there ever has been a doctor.

MR. ROBERTS: If I may interrupt the hon. gentleman just a second, he might be pleased to know that since the Department of Health passed into new hands, we have recruited a doctor in Trepassey, as the people of the town I think now are aware, if the hon. gentleman is not, oh within the past two or three -

AN HON. MEMBER: The past two or three weeks -

MR. ROBERTS: No, no Mr. Chairman, if the hon. gentleman - I will not interrupt - We have been trying for some time. Indeed at one stage, we had a doctor hired, he got to the airport in either London or Dublin, the southern part of the

country, to come - and suddenly he sent us a wire saying, he could not at that time, But we now have a doctor - if he is not in Trepassey as yet, he will be very shortly. That just goes to show what can be done with a real Department of Health, Sir.

MR. HICKMAN: That is right. But Mr. Chairman, the point I am making is this - it has been functioning as a - in a designated growth center for several years. It is now, we are told, getting a doctor.

MR. ROBERTS: Has a doctor -

MR. HICKMAN: That will be good news for the people of Trepassey, because they apparently have not been advised -

MR. ROBERTS: Well all I can say is that the parish priest and mayor of Trepassey have been informed, and also the Medical Director, Dr. Collingwood was down there, and we are also putting a house in Trepassey for the doctor.

MR. HICKMAN: Well this is the very thing, Mr. Chairman, that you need in places like Trepassey. Housing - when once it reaches that status of becoming a designated growth area, and designated growth area means an area that will attract and can accommodate people who move in to that area, so that you will not have this accusation of people going from one welfare area to another welfare area. And in Trepassey there is a desperate need for housing. There is a need for the other social services. The road is going to be paved through the town of Trepassey this year. But these are the services that must follow, and there is not much point in simply saying we will make a designated growth area here, because there is an industry here - and then sit back and say, our job is done. The job is just beginning then, because there is where the demand for the social services arise, the demand for schools - the demand for medical facilities - the demand for water and sewer - and the demand for good roads within that municipal area. And as I understand the DREE program, that is precisely what is was intended to do. But if we are going to have - if the minister wants to avoid the criticism that is being levelled at resettlement, then obviously, whether it is the fault of the Civil Servants in Ottawa sitting on their money or whether it is their insistence on more planning, I do not know. I think the minister would be the first to agree that progress has been painfully slow in the designated growth areas. And so

slow, that this retards the progress of the area. Now again, and I am not referring to the district of Ferryland simply because certain things have to happen there soon. But it is a fact now that we see in Ferryland, Bonavista Cold Storage have bought last year from Government, the plant in Ferryland. And they have announced that it, ^{is} their intention - and they have now started to divert to Renew's for their draggers, and the hope is that in that town, there will be twelve months of the year employment -

MR. ROBERTS: We sold them the draggers to go with the plant -

MR. HICKMAN: Right - the draggers were sold and the plant was sold. They have invested an amount almost double the amount they paid for the draggers and the plants since they moved in there.

MR. ROBERTS: But they have not paid us yet though.

MR. HICKMAN: That is irrelevant, insofar as the resettlement is concerned. The fact is that the idea behind Renew's was to provide in that growth center - whether it is designated now or not, it certainly will have to be, twelve months of the year employment for an area that up until now had been really an inshore fishing area relying on the trap fisheries. And already the problems are arising in Renew's. There is no housing. There is no accommodation. If you are going to get dragger crews to sail out of Renew's, or Trepassey, then it is not unreasonable for them to say, when we do get in port we would like to find that we are in our home port, and that we do not have to hire taxis to go back to Fortune Bay or to come into St. John's. And this is what is happening. In Renew's four houses are being built this year without Government assistance because they cannot wait for this type of development to take place. And I think a very proper question to put to the minister is what sort of liaison is between Municipal Affairs - I would envisage that in any growth center, if it is going to be acceptable to our people and give them a half decent standard of living, that concurrently you find water and sewerage, good schools and adequate housing and medical services, all going ahead at the same time - because the industry is now theirs. And this surely is the whole concept that Mr. Marchand, and certainly his deputy Mr. Kemp, have been espousing in Ottawa. Now Mr. Chairman, again while we are on

this question of resettlement, I do not want to get into an argument on the grievous mistake that was made in Red Harbour. The simple fact is that that has been done - it is water under the bridge. I think that when the highway is going behind Red Harbour, and the comments that we now receive. I have yet to find anyone who has been through there that has not had some very adverse comments about the planning that went into Red Harbour. But what I do say is this.

AN HON. MEMBER: Has the hon. member read the Muse lately?

MR. HICKMAN: The Muse? No I have not.

MR ROBERTS: Well, the Muse has a big centre spread, that Red Harbour is the one success

MR ROWE (W.N.) You are out of tune. There is a generation gap.

MR HICKMAN: Whether there is a generation gap or not, if you drive through Red Harbour you see two or three things. The hon. Minister of Finance, I am sure, would be the first to agree with me on the location alone.

MR JONES: If it had the people in Flat Islands, Port Elizabeth and they moved into Red Harbour, if they had carried out the plans which were laid down by the department, the official of the department, tuned to the Community and Social Development, and the Department of Highways, we would not have the mess we have in Red Harbour today.

MR. HICKMAN: You do admit there is a mess there now?

MR. JONES: Yes, but it is their own making.

MR. HICKMAN: Well then you are out of step with the Muse too.

MR. JONES: No, no. They admit it now.

MR. HICKMAN: No, but here is the point Mr. Chairman, as I say, there is no point talking about whether Red Harbour should be ever allowed to develop. It had been an evacuated community. Everyone had been resettled out of Red Harbour, and ten years later, another group moved into Red Harbour.

MR. JONES: All five families were left there.

MR. HICKMAN: Right. But they moved out for a very good reason that at that time the Government of the day felt that this was the desirable thing to do.

Now we are told by the Minister of Finance, that a plan had been laid down for the location of the housing and the services in Red Harbour, which the people chose to ignore. Well that does not say very much for the enforcement of law and order in planning throughout the Province. But apart altogether from that, they are now in there Mr. Chairman. They now have their houses up on stilts on each side of the main highway going through. They have no water or sewerage services, and they slowly but ^{are} surely coming to the conclusion that they were led squarely down the garden path.

AN HON. MEMBER: By whom?

MR. HICKMAN: Do not let us hear this talk again. I know all about it.

MR. ROBERTS: Would the hon. gentleman like us to table the correspondence on Red Harbour?

MR. HICKMAN: I know something about what happened in Red Harbour, and I know some of the unfortunate events that occurred the Fall before they changed their minds. They were heading for serviced areas in two other designated growth centers. But the simple fact is that there is no point in saying - everyone knows that Government does not go into Port Elizabeth or into port anywhere, and say you have to get out. Everyone knows that. But the decline starts when families start moving out, as in the case of Port Elizabeth, and twelve families moved into Burin - twelve I think it was or eight. And the chimneys are out of another ten waiting that barge to come and take them. The beginning of the end is in sight, because your schools start to decline - the whole community effort, whatever is there, goes into a state of decline. And then, eventually, they come and they settle in an area that receives Government approval. And Government did approve Red Harbour. But now that they are in there, their community services are not as good as what they left. True they did not have water and sewerage facilities in Port Elizabeth, but at least they had schools and churches and a community hall and whatever community facilities you find there. These are not present now. What they really want there, and what they are asking for, and what they had expected to receive by now, is some of the ordinary human facilities that you would find in any designated growth area, would now be underway. But this Committee

will recall that I asked the question of the Minister of Municipal Affairs, as to whether tenders would be called for the installation of water and sewerage line, and you only need one right down through the center of the road in Red Harbour, and the answer was no. And I say Mr. Chairman, that no matter how they got in, and there is no point in talking about whether the decision to move to Red Harbour was right or wrong, and there is not much point in talking about whether it is alarming to note that they did not follow the plans that had been laid down. But there is not much point in talking about that now. That is water under the bridge too. But they are entitled, Mr. Chairman, having gotten in an area that has been designated for resettlement, they certainly are entitled to have ordinary amenities of life provided, and this has not been done in Red Harbour.

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

MR. CHAIRMAN: Mr. Speaker, the Committee of Supply have considered the matters to referred and passed Estimates under the following heading: Heading (1) Consolidated Fund and Services without amendment. And Heading (16) Labour, and (18) Supply and Services, both with some amendments. Report progress and ask leave to sit again presently.

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



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VERBATIM REPORT

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SPEAKER: THE HONOURABLE GEORGE W. CLARKE

The House resumed at 8:00 p.m.

Mr. Speaker in the Chair:

MR. SPEAKER: Order - Chairman of Committees:

MR. CHAIRMAN (NOEL): Order - Does 2001-01 carry? Carried.

MR. HICKMAN: Mr. Chairman, the hon. minister in answer to a question, put by the hon. member for St. John's West, concerning the industrial water supplies program under the heading contained in the announcement made by the Minister on April 30 . "It is my understanding that the monies are loaned by the Government of Canada to the Government of the Province, and that the Province in turn lends the money to, in this case, Melville Pulp and Paper to be repaid out of earnings over a period of years."

Is it necessary for the minister to submit to the Government of Canada, proposals as to viability of any industry that is to avail of that type of grant or does Mr. Marchand simply set the proposition that an industry is to be established that will employ " X" number of people and therefore this grant is necessary to enable the industry to get a start?

MR. ROWE: There may not be any need of a formal plan or viability- feasibility study as such to be presented to DREE on that. On the question as to whether a loan of that nature is going to be made or not, of course, the whole thing is looked at by our own civil servants and civil servants of the Government of Canada, particularly DREE. They then make certain recommendations to the minister, so that there is without a doubt a sort of an informal feasibility study done by the various civil servants. They then make their recommendations to the ministers concerned, me in the case of the Province and Mr. Marchand in the case of the Government of Canada.

In the case of large industries of course, there are all these feasibility studies floating around which are submitted to the various agencies as well. In the case of Melville, I think there is some talk with officials of the company itself. The same thing happened in the Come by Chance deal, there were some full scale meetings both here and in Ottawa, with various officials of the company, and feasibility studies and reports were submitted to civil servants of both Governments, and as a result of that type of an approach

the loan was made.

MR. HICKMAN: So that there are two types of application that can come from industry. One, and industry presumably in which Government is not involved, makes a direct application to Ottawa, under the area incentive grants - program.

MR. ROWE: Right.

MR. HICKMAN: And in industries where the Province is a partner, such as Stephenville and Come by Chance. Then the Province either does it on behalf of the proposed industry or promoters or they both do it together.

MR. ROWE: It is coordinated. The same thing happened in Hawks Bay and Port aux Choix.

MR. HICKMAN: Can we assume therefore that in the case of Come by Chance that the feasibility studies have been submitted to DREE and approved by DREE.

MR. ROWE: I believe, from my own knowledge, they laid all that sort of thing on the table of the Minister's Office and Mr. Kemp the Deputy Minister's Office at Ottawa.

MR. HICKMAN: But has the Government accepted the - has the Government of Canada accepted the proposal?

MR. ROWE: Where? In what case?

MR. HICKMAN: Come by Chance, the oil refinery.

MR. ROWE: For what purpose?

MR. HICKMAN: Is there any DREE money going into Come by Chance? There will be water

MR. ROWE: In the area, Arnold's Cove for example.

MR. HICKMAN: This would again I presume be an application under the industrial water supplies program.

MR. ROWE: This is purely a DREE program.

MR. HICKMAN: Well then.....

MR. ROWE: For residential water and sewer in the Town of Arnold's Cove.

MR. HICKMAN: No, no, no. The position I am putting is that a fair amount of water will be required for the proposed oil refinery at Come by Chance.

MR. ROWE: Right

MR. HICKMAN: And this is going to take a fair amount of money to develop. I assume this will be done by DREE, under its industrial waters supplies program. Forget the Arnold's Cove one, that could be completely separate.

MR. ROWE: Right.

MR. HICKMAN: Now, the question I put to the minister is this: Has the feasibility study, the final feasibility study for the proposed oil refinery at Come by Chance, been submitted to Mr. Marchand and his deputy Mr. Kemp? Have they accepted this proposal?

MR. ROWE: I cannot speak for Mr. Marchand or Mr. Kemp, I know that officials talked to them, I know that in the original DREE schedule of projects which was submitted to us for our approval, there was an amount in there for water and sewage projects and residential housing and things for Come by Chance. Subsequent to that, based not at all on the viability of the Come by Chance deal, (that was accepted, because, they had the amount in there before) subsequent to that they decided that the best thing to do would be to look at the whole area and decide what in fact was actually needed, what was the prospective population in the area? Whether Clarendville might not be a better place for example as a dormitory town for the Come by Chance area? So they subsequently removed it from the schedule of projects, and said that first of all they would study not the project at Come by Chance, but the need, the prospective needs over the long term, and then they would decide.

It seems in my opinion, Mr. Chairman, there is no doubt in their minds at all, in Ottawa, as to the viability of the industry there, the only question they have in their mind is to the total need. They do not want to be caught short. So they are going to look at the whole area, including from Arnold's Cove right up to Clarendville, down to Come by Chance again, in order to see what the best method of approach is.

As I said, originally they had money in for the town of Come by Chance and undoubtedly that would be built up to a certain extent, but the total overall integrated package has not yet been determined, pending some studies later this summer. They did have money in it to begin with.

MR. HICKMAN: It has not been determined whether Clarenville or Arnold's Cove or Come by Chance will be the townsite?

MR. ROWE: Not determined in the long-run. The contractors themselves will undoubtedly have on site infrastructures for the construction period. As far as the actual long term townsite is concerned, there is still some talk going on, some discussion, some planning going on about that.

Purely as a guard against being caught with not enough infrastructure facilities being put there, schools for example; how much in the way of schools are going to be needed over the next ten or fifteen years? That type of thing, so they decided to study it further this year and come to some kind of a conclusion this year for implementation next year.

MR. HICKMAN: All of which relates back I suggest to the viability of Come by Chance, because, if Come by Chance does not go ahead, then the requirements for the Arnold's Cove--Clarenville area would be quite minute as compared to what the requirements would be if an industrial complex were established at Clarenville. You would then be dealing only with Arnold's Cove, practically as it exists today and Clarenville as it exists today, and Come by Chance as it exists today, with the normal growth of population there.

Mr. Chairman, the Area Incentives Grant - it is sometimes difficult to separate what is purely and simply under the jurisdiction of the Government of Canada. and where there is a need for liaison, But I gather from the opening statement of the minister. that a liaison committee is being created, He did say earlier that if a resident of this Province wished to apply for an incentive grant that the facilities of the Provincial office is made available to enable a Newfoundlander to make such application. But as I understand the Area Incentives Grant that is a purely Federal Responsibility. They call the shots, they make the decision whether an industry is the type of industry that they would like to see in an area and whether qualifications for an incentive grant would prevail.

This regional industrial incentives Act, Mr. Chairman, which is quite generous in its concept, and provides for I think it is up to \$30,000. per job for manufacturing plants, does not - as I understand it, it is restricted

primarily to the primary industries, the primary industries and.....

MR. ROBERTS: No, to the secondary industries

MR. ROWE: The manufacturing industries

MR. HICKMAN: That is right, to the manufacturing industries. What would be, I would suggest, of equal importance and equal relevance to this Province, is if the small industries, and service industries, (I do not mean a fellow going around repairing television sets), but throughout the designated growth areas of this Province. Now we find that if and when there is a housing program or a school construction program implemented that nine times out of ten the work has to be done by contractors, generally from St. John's, because, they have the financial resources with which to carry this, whereas the local chap who employs fifteen or twenty or thirty or maybe up to forty men in the construction industry, cannot take advantage of this because, he apparently does not qualify under the incentives

MR. ROWE: Before the hon. member goes on, may I just make a brief remark on that because he is completely at sea on it.

The Regional Development Incentives Act applies to the whole of the Province of Newfoundland for manufacturing industries, secondary industries.

MR. HICKMAN: YES

MR. ROWE: The whole of the island of Newfoundland, the whole of the island of Newfoundland excluding Labrador, and this is for secondary manufacturing industries. However, under the DREE Act itself, the Act which set up the Department of Regional Economic Expansion, there is provision, just as generous and perhaps even more generous than that under the first Act I mentioned, for incentive grants to be given to any kind of industry whatsoever, be it a primary industry, a secondary industry or service industry. It is not at all related to nor restricted to the manufacturing industry. The only restriction on grants, under that departmental Act, is that they can only be made in special areas designated by DREE. This means that the part of the Province known as Labrador, Happy Valley, Goose Bay area, can qualify for grants - incentive grants, under the DREE departmental Act, for service industries, primary industries and other types of industry.

MR. HICKMAN: Is this for expansion as well as establishment?

MR. ROWE: Yes, expansion as well for all types of industries. I am morally certain on the expansion point. I have never heard it argued in the reverse. I think that is so.

AN HON. MEMBER: (Inaudible)

MR. ROWE: Expansion and the establishment expansion of any type of industry. This could go as far as the setting up of a tailor shop, for example, because in the growth centres DREE is very cognizant of the multiplier effect. We have a sizable population, there may be lack of capital for setting up service industries which can make the primary dollar worth as many as four or five dollars in a larger area, by setting up a service industry and getting employment that way. They have restricted that to these special areas which have already been indicated. Eight special areas, and we hope to make it eleven and even more as time goes on.

We have the two things, the two types of incentives which have to be read together. The one for the whole of the island of Newfoundland for secondary manufacturing industries, and the other for any part of the Province of Newfoundland provided that it is used within a special area. Now if you have a place like Hawks Bay, Port aux Choix, which is set up and a primary producing industry there, DREE will have, with my experience in dealing with them, will have no reluctance whatsoever to set up that area or such a similar area as a special area under the DREE concept.

If for example, up in my own district in Baie Verte it was decided that greater utilization of primary resources could take place there, and that DREE could facilitate this, they would have no reluctance at all to setting up this - to designate this as a special area. With that would come the incentives under the DREE departmental Act. You know, we hope to centralize and consolidate and to allow service industries to grow up. So the two things have to be looked at together, or anyone looking at the DREE concept is completely afield. The two things mesh.

MR. HICKMAN: I am referring to this because of a specific problem that I am aware of, where in a special area and in a town that is designated as a growth

centre, where a small building and contracting organization has been operating for years and is now anxious to expand and has established a good record over the past ten years, meeting its financial obligations, building, say, ten houses a year and one or two schools, and would like to expand and create an additional twenty to twenty-five jobs, apparently to date they have been unable to get any indication at all that the area incentive program applies to that type of industry.

MR. ROWE: Have they talked to the DREE officials ?

MR. HICKMAN: Yes and I think to officials of your department. In fact, I spoke to you about it too. They have come away with the impression, and I must confess that up until now, I was under the impression too, that in these special areas, funds were not available for the expansion of small industry, industry that would create ten, twenty, fifteen new jobs. But, if the loans are available, and grants are available, say for a tailor shop in Harbour Breton, which will employ three men, then I think that that is a concept of this program that Newfoundlanders do not understand.

MR. ROWE: A certain criteria has to be met of course.

MR. HICKMAN: I realize that. Mr. Chairman, again on the question of resettlement, and I made reference to this in one other debate in this House, you have, I believe, a grey area in so far as the resettlement is concerned. You have a clear cut situation where a community, such as Anderson's Cove, decides that it wants to evacuate and move into Fortune, and that is no real problem. You have a lot of smaller.....

AN HON. MEMBER: Inaudible

MR. HICKMAN: Well maybe, but you have a lot of smaller communities who have moved and have decided that when they saw certain families moving that their days were numbered and they left. But then you have another group of communities that are a bit larger, and they cannot find any real definitive policies to where they sit. Now the hon. minister may have seen a program that was carried on the CBC a few weeks ago, that emanated and originated from a very competent teacher on Allan's Island, a Mrs. Angela Collins, and I do not think she was related to the hon. the member for Gander, but she was a Collins

anyway. It was a program that evoked a great deal of comm and interest, following. I think that she put her finger on this problem better than I can do it. And what she said was this; that Newfoundland in general (and she was referring then to the Burin Peninsula in particular) is becoming a region starkly divided amongst the older towns, allegedly up and coming growth centres, and the smaller traditional outports, The last, lacking many of the advantages and facilities of the larger communities, are gradually being forced to accept the status of parasites, in which their citizens can have no pride, no sense of continuity, and no hope.

The influences directing this train of thought are very subtle and insidious, but their results are painfully obvious in the negative attitudes that exist in many places, the suspicion and lack of unity that were once so foreign to our way of life. And this is the key to it; we must remember that a town cannot die over-night and that in many of these towns, already designated as phase out areas, there will continue to be families and children for many years. We have been accused of being over-sentimental over this problem, but the truth is that we are realists. We know that our children will leave and not come back. We know that there are no employment opportunities within the immediate area, but we also know many more truths about the outport than do our critics. This is why we are alarmed about the negative attitudes that surround our children and this is why we must do something about them. Let us try to provide ^{them} within a cultural climate more conducive to the development of those natural talents and abilities which our children have in abundance. Let us not force them to wait, sometimes too late, until they go elsewhere to discover that they have a great capacity for achievement. Let us not force them to remember their schools as mere symbols of indifference and decay.

Now maybe there is no answer to that problem, but it is there. It is there in towns with populations of seven or eight hundred or nine hundred or a thousand people, towns that do not lend themselves to the establishment of viable industry. But they are not going to die over night, yet they see public services being denied them. They see that they are not qualifying or getting

ordinary amenities of life such as water and sewer systems. They see that their schools are going down year by year in teacher - pupil-teacher ratio, that as the population gradually declines they lose another teacher. Lamaline is a very good example, where the Anglican school, this year I think, will close or certainly will only have one teacher left and then they go to Allan's Island.

This dying process, Mr. Chairman, can go on for twenty years, and you talked about the resettlement program, that the great beneficiaries of a resettlement program are the children, but, on the other side of the coin, the real sufferers too are the children in those towns that are not capable of being taken up body and bones and resettled in Fortune or Grand Bank or Harbour Grace or some other designated area.

So that what we are in effect - the problem, and I want to be fair, there is no point in saying what we are in effect doing is condemning these children, this present generation, to being second class Newfoundlanders. But the problem is there and they do not have even a chance as good as the one they had say ten years ago, when the town was still maintained at a much higher population than it is today. I believe that this is a very real problem, when you have towns that are far enough away from larger centres that it is not convenient or practical or even possible to bus elementary school children back and forth to elementary schools.

I think though that in these areas, if the people who are responsible for the administration of the DREE program could come to a conclusion as to whether they want this to remain a town, (the words escape me now) but, you know, the dormitory town. IF it is decided, and I use Lamaline because I think it is an excellent example of the problem, surely a decision can be made at this time whether Lamaline and Allan's Island, which is an area where you have I guess, (I say this subject to correction, but the hon. Minister of Finance would know) approximately 1,000 people there at this time

MR. JONES: About 800 now

MR. HICKMAN: Well, about 800 now, all with fine homes. If a decision can be made, and I can see no reason why a decision could not be made at this time whether to say Lamaline is going to be a dormitory town for Grand Bank and

Fortune. Once that decision is made, then steps can be taken to solve some of their problems. It is only twenty miles I suppose from Fortune, at the outside, the Hon. the Minister of Finance, when he was Minister of Highways had designed, indeed, he called tenders for an Atlantic Development Board highway, paved highway that was going to cut the distance from Lawn to Grand Bank, I think to twelve miles. If this decision, that would enable the people in that area. and I have no doubt that there are areas in Conception Bay in the same category, the same position, ^{so} they would know then that they are going to be dormitory towns, but they are not going to die. Their children can be bussed, even the elementary children without too much inconvenience, to the larger schools so that they will not suffer as a result of this dying that has set in.

I think that people, who find themselves in these areas, can justifiably say to the Minister of Social and Community Development, "tell us what our future is, Tell us if you plan to keep us as a dormitory town for the growth centres nearby, or if in your opinion our future is one to move out.?" Then they can make a decision and they can make it when their children are still young. But right now they do not know, they have no idea, and they have a nasty suspicion, to quote the words of Mrs. Collins, "That there are very subtle and insidious influences showing up throughout that community." I do not think that that is unreasonable, and I do not say it in a spirit of criticism, I say it more in a sense of a request and suggestion that people want decisions. I believe that the day has now arrived, in this Province, where our people are prepared to some times accept unpalatable decisions if they are given to them factually and if the rationale behind them makes good sense.

But it is the reluctance to do this, that spreads this spirit of uncertainty and loss of pride and all that sort of thing, And even if you want to put up with and tolerate the loss of pride, there is not much doubt about it, that the children who find themselves in these communities throughout Newfoundland are not reaping the benefits of resettlement but are the victims of it.

Mr. Chairman, one accomplishment to which the Minister has referred

in his various statements, and the Minister of Education has referred to it, and the Budget Speech referred to it, is the fact that at long last the Government of Canada has seen fit to provide certain funds to certain areas through the DREE program for the building of new schools. This

MR. HICKMAN: . is good. It is good for St. John's were three will be built. It is good for the Burin Peninsula where three will be built. It is good for Stephenville where we will have one, and it is good for Happy Valley where there will be one.

But, Mr. Chairman, this should not be used as a cloak to suggest that the crisis which was so ably pointed out to the public and Government last Friday by the -

MR. CHAIRMAN: I wonder if the hon. gentleman now is really not getting a little too far afield in Community and Social Development estimates?

MR. HICKMAN: Well, Mr. Chairman,

MR. CHAIRMAN: Surely we are not going to have a debate now on Education under Community and Social Development?

MR. HICKMAN: I was not proposing to have a debate on this, Mr. Chairman.

MR. CHAIRMAN: It seems to be going that way.

Under which heading now is the hon. member speaking?

AN HON. MEMBER: All the headings.

MR. HICKMAN: Well the hon. minister spoke under all the headings when he opened the debate.

MR. CHAIRMAN: This particular remark the hon. gentleman is making now, under which heading does this fall here?

MR. ROWE, W.N. Mr. Chairman, the problem in the department is that DREE is providing money for a number of things which come under nine department of Government so -

MR. CHAIRMAN: I do not think that in this House that on the estimates that the committee would want to go into all the aspects of the DREE program. It is only the department's administration of that program and the amount of money that the department wants is really relevant here. And if I judge correctly, the member was just about to get into the needs of education in areas outside the DREE areas. In fact I think on these estimates we are a long ways away from where we should be.

the Minister

MR. HICKMAN: Mr. Chairman, in his opening statement, made reference to the construction of schools that will be built under DREE this year and the problems that are being encountered with Ottawa in getting the Federal Civil Service to approve the plans for the new schools that are being built. I am sure he has already received complaints from school boards who are going to be responsible in the final analysis for administering and staffing the schools, the eight schools that have been so designated.

MR. COLLINS: We may have to get nine school boards in Central Newfoundland unionized now.

MR. HICKMAN: Well, no, but a part from that, Mr. Chairman, on the DREE program the announcement is for eight schools. And this is of vital interest to the boards who will be called upon to administer these schools when they are built. And their planning with relation to existing schools must be governed to a large extent by the construction of these new schools. And the boards that are involved now -

MR. CHAIRMAN: I do not think really - to be fair to the committee, it seems to be that I am totally disregarding all the rules in permitting this particular type of debate to go on.

MR. HICKMAN: Mr. Chairman, I would like to draw to your attention it was the hon. minister who made the first reference.

MR. SMALLWOOD: Inaudible.

MR. HICKMAN: Right! And when the minister introduced -

MR. SMALLWOOD: Anyone can count the items. We have the rule of relevancy.

MR. HICKMAN: But we are not yet into the items. We are on the same heading as the hon. minister was debating when he made his opening statement.

MR. ROWE: I made no reference to roads, schools nor anything else in my opening remarks.

MR. HICKMAN: Would the hon. minister indicate to the committee the heading

MR. HICKMAN: under which the minister will administer or channel or funnel the funds that will come for the building of these schools and the vocational schools that the hon. minister referred to earlier this afternoon - which heading in your estimates?

MR. ROWE, W.N. General Administration.

MR. HICKMAN: General Administration. Well I am perfectly willing to wait until we move from 2001 down to 2002.

MR. CHAIRMAN: You see the position is that a minister in opening his estimates can make a general statement. But I do not think that alters the situation. The minister may have been wrong in mentioning these things in his opening statement. It certainly does not give every member of the House the right to stand up and start talking about where he wants schools put or where they should not be put.

MR. HICKMAN: Mr. Chairman that was not my intention at all.

MR. CHAIRMAN: We have a whole department dealing with schools.

MR. HICKMAN: Right! And what I have here in my hand is a statement dated April 30th. 1970 and it was tabled in this House by the hon. the Minister of Community and Social Development. And in it he lists the teaching facilities that are going to be provided, internal road program, that roads in special areas, the Corner Brook Harbour arterial road, trunk roads program, continuing ADB projects. I was under the impression, maybe mistaken, that this is what the Department of Community and Social Development was all about. That the Minister of Highways would come to the Minister of Community and Social Development and say, "I need some money for a particular area that will cor .end itself. and will qualify under the policies of DREE emanating from Ottawa. Here are the highways I have in mind. Here is the estimated cost. Here is a list of the towns that will be served." And then the Minister of Community and Social Development, armed with these factual

MR. HICKMAN: studies together with factual studies carried out by other related departments - nine departments as he refers to them, will then submit to Ottawa and use his influence and his final meshing together of these requests and programs from Education, Highways, and Health and what else, and take it to Ottawa and say will you grant to the Government of Newfoundland monies that I will funnel and administer and hand to the Minister of Highways, or the Minister of Education? And this is what I thought the Department of Community and Social Development was all about.

AN HON. MEMBER: Inaudible.

MR. CHAIRMAN: Order, please. Would the hon. member please carry on.

MR. HICKMAN: Thank you, Mr. Chairman.

Mr. Chairman, how can you possibly discuss that resettlement, the DREE program, the Department of Community and Social Development, from which have been emanating great announcements in the field of education, and vocational education without discussing education.

MR. SMALLWOOD: So let us drop the rules, Mr. Chairman, and have a debate now on education, why not?

MR. HICKMAN: There is no need to drop the rules, there is no need to ignore the rules at all, Mr. Chairman.

MR. SMALLWOOD: Just turn the debate into, not DREE -

MR MURPHY: - - we do not need any other department but this one. This covers the whole field. We can discuss anything-

MR HICKMAN: This is the question that I was left with, that this was the great department.

MR SMALLWOOD: Let us abandon the rules. Let us abandon them.

MR MURPHY: I do not want to abandon the rules.

MR SMALLWOOD: Let us do it, let us have a debate now on Education.

MR HICKMAN: Other members in this House may be prepared to abandon the rules, I am not. Mr. Chairman, if you rule that Education has nothing to do with

MR. HICKMAN: the Department of Social and Community Development or DREE, and state that definitely, and I presume that if you state and Government does not appeal Your Honour's ruling, Government agrees that you are right.

MR. CHAIRMAN: I am just under the impression that the hon. member was going to launch himself out into the whole field of education in Newfoundland and I thought I had better step in and stop him. But it looks as though I should have had let him carry on, but he is finished now anyway. Would you please carry on.

MR. HICKMAN: I will not embark on the debate of the whole field of education. But I would like to make some remarks concerning the announced programs of the Department of Community and Social Development. It is the monies that are to be spent on vocational school extensions in Seal Cove, Burin, and Gander and these obviously come as a culmination of years of demands from the Minister of Public Works, and the Minister of Education, and it is a very encouraging thing that monies will now be found to expand these schools. But there is another group

MR. CHALKER: And Salt Pond too.

MR. HICKMAN: Well, that is what I said, Burin.

There are also two or three vocational schools that are being talked about and discussed under DREE, and one is mentioned and that is the vocational school in Happy Valley. And there is obviously a need for a vocational school in that area, and one in the Bonavista area.

MR. WORNELL: And one at Bay d'Espoir.

MR. HICKMAN: Well if the hon. member wants one in Bay d'Espoir by all means.

But may I direct the minister's attention to the fact that educators are having second thoughts as to the future development of vocational programs in the Province. Now, I think the hon. Minister of Education would agree with me on this, that his officials, I believe, certain educators

MR. HICKMAN: in the Province -

AN. HON. MEMBER: Inaudible.

MR. HICKMAN: Right! But what they are suggesting is this, that we may be able to get even better value for our money if we use a slightly different approach. And that approach is in the construction of the composite high school, as part of the vocational -

MR. CHAIRMAN: You know, I am sure, the hon. member is really taking this committee for a kind of a walk. I am sure the hon. member knows that all of this is out of order and is simply trying to put the point across.

I think it is time I called this item 2001 - Shall the item carry?

Carried.

On motion 2001 carried.

MR. HICKMAN: Under General Administration, can the minister advise how, if that amount is to be spent, what are the duties of the general administration of his department? What various fields of social services are encompassed by that general administration of his department?

MR. ROWE, W.N. Mr. Chairman in my opening statements this afternoon I went over the whole gambit of the department. So if the hon. member can read and listen, he has heard it already.

MR. SMALLWOOD: Be fair now, be fair.

MR. HICKMAN: Oh, no, look, Mr. Chairman, the hon. the Minister of Public Works remembers the statement of the hon. the Premier when we tried to bring on a special resolution on Come-by-Chance months ago. Wait for the estimates, in the estimates every hon. member can get up on every item and he can speak, and he can speak again, and again and again. He can keep on going. But now, you are into the estimates there seems great grave doubts as to whether you can speak at all.

On Motion 2002 carried.

MR. CHAIRMAN: Shall 2003-01 carry?

MR. HICKMAN: Mr. Chairman, 2003 - Planning and programme development - I do not know if the hon. minister covered all that in his statement or not.

MR. ROWE, W.N.: Yes, I did, Mr. Chairman.

MR. HICKMAN: Would the hon. minister advise this committee as to what efforts were expended by the staff in his department who come under planning and programming development, to follow the plans for the resettlement of Red Harbour, that were referred to by the hon. the Minister of Finance this afternoon, which he said were not followed.

MR. ROWE, W.N. That is just a prerogative question, Mr. Chairman, but I do not mind saying that it is not the type of planning envisaged by this subhead. This subhead is talking about planning and programme development exclusively for the DREE program. The planning for the resettlement program comes under the Resettlement Division.

MR. HICKMAN: Well we will wait for resettlement.

On Motion 2003 carried.

MR. CHAIRMAN: Shall 2004 carry?1

MR. HICKMAN: Mr. Chairman, you know I have seen things rushed through and bulldozed through, but tonight seems to be the worst exhibition we have seen so far.

MR. SMALLWOOD: I wonder what the hon. gentleman had for dinner tonight?

MR. HICKMAN: I had a very pleasant dinner at home - I had two games of ping-pong, planted a couple of flowers -

MR. SMALLWOOD: Went straight to the ping-pong.

MR. HICKMAN: Yes. And back now and fit.

AN HON. MEMBER: Inaudible.

MR. HICKMAN: On the field services - is this the branch of the hon. minister's department that will furnish advice to these regional development - or do you?

MR. ROWE, W.N. That is correct, Mr. Chairman.

MR. HICKMAN: This would be like NARDA - can NARDA take advantage of that? Has the minister had any request and furnished any services of his staff to NARDA?

MR. ROWE, W.N. Yes, we have.

MR. HICKMAN: Does the minister or his department provide any funds to enable these Regional Development Areas to get started?

MR. ROWE, W.N. Yes. Mr. Chairman, I must say, I spent twenty minutes this afternoon going over the activities of the department, and I took the pains to distribute the statement to hon. members -

MR. HICKMAN: I have lost it.

MR. ROWE, W.N. and here I am being asked questions which were covered fully and comprehensively by the statement.

MR. MURPHY: Look, I do not think the whole thing is fair, I think you should pass the whole thing on.

MR. HICKMAN: You should not ask any questions.

MR. ROWE, W.N. I do not mind answering questions, Mr. Chairman, if I left anything out of the statement I made at the beginning of my estimates, but why rehash things which have already been answered comprehensively.

On Motion Items 2004 to 2005.

MR. CHAIRMAN: Shall 2006 carry?

MR. HICKMAN: Mr. Chairman, on that now may I direct a question which the hon. minister asked me to redirect, that he asked me, to direct to him. How many officials, if any, of his department work with the people of Red Harbour during the resettlement of that area? And what steps did they take to see that the plans which have been prepared and laid down and referred to by the hon. Minister of Finance this afternoon were abided by, and why did they not enforce them?

MR. W.N. ROWE: All the officials of the resettlement division, of which I think there are three officers of that division in active service looked into it. In addition, there were Provincial representatives representing departments on the main resettlement committee from the Power Commission, Public Works, Education, Municipal Affairs, Fisheries, Newfoundland and Labrador Housing Corporation, Highways, Mines, Agriculture and Resources, Health, and my own department. The lot layout was done by the Department of Municipal Affairs and Housing.

Mr. Chairman on the whole Red Harbour situation, I am surprised that the hon. member is asking these questions because he knows what has transpired over the period of a year or so prior to these people moving from Port Elizabeth to Red Harbour.

MR. HICKMAN: My concern now is that, as I said today, water under the bridge.

MR. ROWE, W.N. I know it is water under the bridge.

MR. HICKMAN: When they got in there -

MR. ROWE, W.N. They got in there, Mr. Chairman, because for nine months (it is closer to a year) they came to my department, badgering the department, (and I chose the word advisably "badgering the department"). They are fine people, and they kept after my department, the officials of my department, and the Premier. At least one-half of the time of every Cabinet Meeting for nine months was taken up on the Red Harbour question.

MR. HICKMAN: Watch your Oath. My goodness gracious,

MR. ROWE, W.N. I did not divulge anything substantial, Mr. Chairman.

MR. MURPHY: That was fifty percent of the time, what was the other fifty spent on?

MR. ROWE, W.N. Bide Arm. The other fifty percent was spent on Bide Arm.

MR. SMALLWOOD: Have you seen the latest issue of the Memorial Muse?

MR. HICKMAN: I get carried away by the Burin Post.

MR. MURPHY: May I carry on now, Mr. Chairman?

MR. MURPHY: I wish to speak on 2006 - Resettlement. There are one or two questions that I would like to ask, and that is with reference to say, an island, say people that resettle and come to the mainland, the status of whatever is left on the island, And this is a particular item I would like to speak of, where people on St. Brendan's Island, were using Gooseberry Island for grazing purposes. And a notice was posted early this year promising them -

MR. SMALLWOOD: Off of Gooseberry, or in it?

MR. MURPHY: It says here, let me see now - The northern island of the Gooseberry Island.

MR. SMALLWOOD: Off of Gooseberry Island.

MR. MURPHY: Off of Gooseberry. Well apparently the people on St. Brendan's were using this island for grazing cattle and sheep. And some time early in the year, last year actually, a public notice, the 4th. of October, a notice was posted, under the signature of W.R. Callahan, the Minister of Mines, Agriculture and Resources, that such grazing would be prohibited -

MR. SMALLWOOD: There is a cemetery there, of course.

MR. MURPHY: There is a cemetery there, and this gentleman mentioned that -

MR. SMALLWOOD: George Warren, the Deputy Minister of -

MR. MURPHY: Was born there,

MR. SMALLWOOD: Public Works was born there.

MR. MURPHY: and this is the significance that is insinuated in this letter. And the gentleman also said he was aware that there was a cemetery there, as he thought there were cemeteries on other islands that had been evacuated and he presumed that most cemeteries had a fence around them. And if it is not permitted on Gooseberry Island, why is it permitted on other islands in the bay? And if it is the thought of molesting the dead at rest and desecrating them, this gentleman wanted to know in a typical Newfoundland way, if the people on the other islands take the dead with them when they move. Is that a fair question to ask?

AN HON. MEMBER: Inaudible.

MR. MURPHY: According to this gentleman there is ample, tremendous grazing there, and we are talking about spending thousands and thousands of dollars on community pastures. And here it is here on this island -

MR. CHALKER: Is it held up on account of the graveyard?

MR. MURPHY: This is the implication here, and the further implication was that the graveyard was not the significant thing but it was the birthplace of the Deputy Minister of Public Works. Now I do not know if that would be it, whether it is going to be preserved as a historic site.

AN HON. MEMBER: Inaudible.

MR. MURPHY: But this is in this and it is significant. Is there any other island in this group where there is no more grazing permitted? You know, they are rather upset about it. A personal friend of mine wrote this letter and he just wanted to know what the implications were. and he mentioned the graveyard in it, but he presumed that the graveyard would be properly fenced and what not, as we do with most graveyards, and he did not think there was excuse enough. The question I wanted to ask is why this particular island? It is the northern island of the Gooseberry Island. And he suggests that it seems rather stupid.

MR. SMALLWOOD: Would the hon. gentleman accept my word, I will have it looked into? I have heard of it now for the first time.

MR. MURPHY: I would appreciate it, because of some personal friends on the island that wrote this, and actually I -

MR. SMALLWOOD: 'a what Island?

MR. MURPHY: On St. Brendan's Island.

MR. SMALLWOOD: Oh! on St. Brendan's Island.

MR. MURPHY: Yes, yes. I have no friends left on Gooseberry Island. I have no friends left anywhere now.

MR. SMALLWOOD: I believe you.

MR. MURPHY: Now people who did not move their homes with them, what is the status of the homes that are left? Can they go back there in the summertime? Can they keep them in repair etc? These are just the two questions I would like answered.

MR. ROWE, W.N. Under the old resettlement agreements, I will not deal with the new one until that is signed. We have to make some changes in it. Under the old one - the owner of the property kept title to it after moving to the new area. The only restriction we had on his selling or moving back to the property was seasonal occupations, fishing or farming or any other purpose, was that he contacted the department here, and almost as a matter of course, permission would be given by me to assign permission for him to use the property for fishing or any other purpose, that if he had found a buyer for his property on the place from which he had left, in certain circumstances we would also permit him to sell it; if there is a teacher moving in or if some other person is moving in, or a welfare officer wanted accommodation or something. Supposing that the whole place had not been completely evacuated, we would allow him to sell it for whatever price he could get. At anytime he can also move the premises from the place he has evacuated to any other place in the Province with the hope of selling it or settling it anywhere. The position is that he owned it, subject to certain restrictions that we had to impose, so that you know, people just could not move back again and resettle in places from which they had moved and get ten resettlement grants to do so.

MR. MURPHY: Mr. Chairman, just one further question, on something that I brought up a few years ago - is there any effort being made by Government to preserve any of these islands

MR. MURPHY: as they now stand - and they will be historic sites within the next few years. And I am just wondering if there is any effort being made perhaps to preserve what we have on some of the older homes perhaps that the people are not moving, and because as I say in the near, foreseeable future, I would say there would be very few of these Islands inhabited. And I am just wondering if it would not be an idea - and I am thinking particularly of some of the Islands just around Bonavista Bay like Flat Island and so on and so forth. And they are not too far from centers which would be historic sites and might be a very strong tourist attraction for visiting.

HON. G. A. FRECKER (Minister of Provincial Affairs): We did have a plan to select one of the Islands and make an ideal restored village just-as it used to be in all its traditional Newfoundland ways. I do not know just how far we will get with it - with the money situation, but we have that definitely in mind.

MR. MURPHY: I think it would be a good idea perhaps to start now before what is there deteriorates too much and will have to be fully restored.

MR. FRECKER: If we had not lost Mr. David Webber we would probably be further ahead with this project. But I flew over an island with him on our way back from L'Anse au Meadows, which he thought would be ideal for that purpose -

AN HON. MEMBER: That is in Newfoundland?

MR. FRECKER: Yes, on the Newfoundland coast.

MR. WORNELL: I think the point raised by the Leader of the Opposition is a very good one. In all of these islands, which have been evacuated, there are cemeteries of various faiths. It is not a nice thing to leave a cemetery unattended. It is sacred. I am thinking that all of these cemeteries should be marked by say a bronze tablet, to at least keep archeologists away. Somebody might be digging on these islands one of these days and come up with what they consider some neanderthal man. To obviate such a mistake, such a historical error, I think that the department should set aside a few dollars to have these graves marked by a bronze plaque. It is a good idea.

HON. F. W. ROWE (Minister of Education): Mr. Chairman, I just have one aspect of this matter of resettlement that I want to refer to. I want to express my pleasure, my gratification that one of the most vicious lies promulgated in Newfoundland in my time, has been set to rest. I hope it has been laid, and that is that the Government of Newfoundland with the help and the connivance and concurrence of the Government of Canada have forced or partly forced, or persuaded, or cajoled, or bluffed, thousands of our fine independent Newfoundlanders living idyllic lives in those lovely little coves and islands, scattered all around, living in blissful isolation, and innocence. And we took them by the scruff of the neck, so to speak, and threw them down in Glovertown and Lewisporte and Springdale and Baie Verte, and Clarenville and Burin, and all the other larger towns around Newfoundland, where they spent their time doing two things. Bemoaning the end of that blissful existence that they knew back in poverty cove - seven families of them, twenty-one children - not one of whom learned to read or write. Settlement after settlement where not one child ever reached Grade IX in a hundred years of history - bemoaning the loss of that blissful existence and living on dole. And this Mr. Chairman, has been promulgated in part by that great fictioneer, Farley Mowatt -

MR. MURPHY: One word of discord now if the minister stood up -

MR. ROWE: This is no discord at all. I want to emphasize this, because it is time it was emphasized. My hon. friend surely knows that this story, this vicious piece of fiction has been spread across Canada - has been spread across the United States - that thousands of Newfoundlanders have been taken out of their idyllic existence and plunged down into urban centers, where they had to live on dole. And this is the line. Some of them I have no doubt, regretted an end to the kind of life that they had known on this Island or in that little Cove, isolated from the rest of the world. I am sure some of them did - having to leave the settlement of Gooseberry Island, where their grandfathers were, the places that they had known as boys and girls. Some of them did regret it - of course they did. They were not forced

to leave. The process was going on all over Newfoundland. When we came into the picture and agreed to help, we did not try to bribe them. They were leaving. They were leaving by the hundreds and thousands from these little coves and outharbours, and islands and rocks, hamlets, and they were moving into the Lewisportes and into the Glovertowns, at a great personal sacrifice. And precisely this is what I am drawing my friend's attention to - perhaps he did not hear it. I am drawing the attention of the Committee, and I hope the attention of Newfoundland, to this fact - that these people are not living on relief. These people are not living on relief. There is less relief among them today than there was when they were moved. In fact the relief has been cut by over fifty percent. It is just less than fifty percent. The number of people who are on relief - my hon. friend does not like to hear this, because he does not like to hear it. He knows what I am doing.

MR. HICKMAN: On a point of order Mr. Chairman. Nobody in this House has heard me say anything against resettlement per se, but I was ruled out of order when I started to talk about ^a matter that had been covered in the statement of the hon. the minister when he opened his Estimates. And I was told that this was of the great "here, here," from the Government side of the House. Now the hon. Minister of Education is reading pages 8 and 9 of the statement. Can we debate it or can we not?

MR. ROWE: The hon. gentleman is drawing attention to this vicious untruth, that has been spread by certain newspaper writers right here in St. John's, and by this fictioneer, Farley Mowatt, under the guise of writing documentary novels. And by some of our representatives in the House of Commons in Ottawa, who have given the same picture, and it is not a true picture. It is not fair to the people involved. It is not fair to the people, the thousands of people who have left these small communities, to picture them as living as recipients of dole, when the truth of the matter is that fewer than six percent of them in the worst month of the year are living on relief. And at the time that they did decide to move, or requested help for moving, twelve percent of them were living on relief. These are the figures given by the

minister today. Mr. Chairman, I do not want to belabour this point, but it needs to be said. Number one - these thousands of people were not forced to leave. In many cases they were not even encouraged to leave. Number two; the great majority of them were living in communities where they could not get educational or medical or any of the other social services for their families. And number three; the vast majority of them having moved to the larger urban centers of Newfoundland are infinitely better off economically, socially, medically, educationally, and in every other way that anyone could think of. They are better off. And they are not - the vast majority are not on relief. They have not been on relief and they will not be on relief. And finally, ninety-nine point nine percent of them could not be put back in these little communities at the point of a gun. They would not go back. That is all - they just would not go back. This resettlement program for tens of thousands of our people is the best thing that ever happened to them.

MR. COLLINS: Mr. Chairman, I will not take too much time of the Committee. If we are going to talk about resettlement Sir, and we can think back all those years, I do not know how many years, when the hon. Minister for Education, became a product of resettlement, and settled in Little Burnt Bay which was later called - in latter years, it was called Lewisporte. Actually Mr. Chairman, ^{they} this is possibly where resettlement started years ago when left the islands, and the coves and the bays and the arms and the inlets, and moved into Gander Bay and Gambo, and Lewisporte and Clovertown and all those areas, which followed I suppose probably one or two or three or four winter sojourns into the heavy timberland to make a living, to cut timber for their boats and so on and so forth. This is where these settlements started. Of course, the past ten or twelve years we have seen the effort speeded up a bit, and the hon. Minister of Education and the Premier and all the ministers, can say what they want to, until now until doomsday - and they will never convince me or the people of Newfoundland, that they have not given every encouragement, every encouragement Mr. Chairman, to people to move away to so-called growth centers. Now Sir, there is nothing wrong with the resettlement concept as such, because we know that in this day and age there is no justification for people to be residing on small islands - small groups of people. However,

there are some areas where there is a reason for people to live, and the reasons are Sir, that if they can make a living, which I suppose is a first requisite in any man's thinking - if they can make a living and they can have reasonably good educational facilities, if they can have their church, if they can have a highroads connection and a post-office and so on and so forth, and have access to the larger area by commuting back and forth, then Sir, I submit, that there is not too much wrong with people remaining in those areas. However, it is quite easy for the Government, and as I say, they can say what they want to, - the Government are still guilty in a great many areas because they have been in the position, and when I say "they" I mean the Government and ministers opposite have been in a position, by various and devious means, to withdraw certain facilities such as postal facilities, curtail the development of telephonic facilities, curtail the expenditures of roads so that it becomes certainly unbearable if not impossible for people to be able to commute back and forth, to make conditions such that school teachers will not go into the area, make conditions such that many of the other services are not available, and eventually you will find that some of the people will want to move away. And generally Mr. Chairman, the record is then that the people who move first are almost always the types who have exercised some leadership capabilities. And of course once you get those people gone - whenever you get those people gone, then you will find that gradually the town decays, and eventually there is no alternative but to move. Another aspect of resettlement Sir, too, take any given place around the coast of Newfoundland and if one family wants to move or two families, they will get X number of dollars from the Department of Community and Social Development. They know, they are told in no uncertain terms that if you want to get more than that, and there is an increased grant if everybody moves - if you want to get more money than that; the best thing you can do is circulate a petition and see if all the people will move. If all the people will move out, Mr. Chairman, then they can just about double. Is this out of order Mr. Chairman? Then you can just about double what you would have normally got. In my opinion, it is certainly an inducement for people to move. I was going to ask the

Minister of Education a question a little while ago. I might as well ask it now. There was quite an article circulating in the press in Central Newfoundland last week in the Grand Falls Advister, and the Gander Beacon. I do not know if it has appeared in the present St. John's - it is quite a long article concerning the resettlement of Millertown Junction. And if we can believe what the article says - evidently one person decided he was going to leave Millertown Junction, and again from the article, if we can believe what it says, and I have no reason to doubt it - he was told that he was entitled to a certain amount of money, let us say X number of dollars. On the other hand if he could convince all the people to leave Millertown Junction, then his family would be entitled to x plus a certain number of dollars. In other words, it was to that man's advantage to go back and circulate a petition and hopefully move all the people. Well there is another angle to Millertown Junction as well, because it is only two or three years ago that this Government saw fit to expend a considerable amount of money to construct a road connection from the Badger to Buchans road into Millertown Junction, a distance of about (I stand to be corrected, but I think I am pretty close) in saying of a distance of twelve or thirteen miles. And granted that the paper company in the area, Price Newfoundland in this particular case, were involved in the cost - sharing arrangement, because they had hoped to harvest some wood in that particular area, and they will continue to harvest the wood. But in the meantime, this Government spent a considerable amount of money in expenditure on a road connection two or three years ago, and today they offer every enticement for the people to move out of there.

Mr. Chairman, from what I can find out, most of the people are moving into Badger. I have nothing against Badger, but I believe that all hon. members in this House will realize that recently with the curtailment in employment opportunities in the woods, with continual advances being made in automation, where jobs are becoming less and less, fewer and fewer in number, for those people to ^{be} moving away from an area into Badger certainly does not make too much sense to me. Were they moving into Grand Falls, I could see it. Were they moving into Gander, I could see it, provided that some planning, some thought ^{were} given to it, so that those people could settle into

subsidized rental units, or shell housing, or some other arrangements made for them. But Mr. Chairman, just to take them up as it were, body and bones, and move them to one area from another, without any planning and without any thought given for the future, in my opinion, it is not enough. Now the argument can be put up, and the Premier always has this as an argument, that, if for no other reason, the fact that the kids can find a suitable school, probably a school with better teachers and better gyms and so on and so forth, than they would have had, to stay where they were. This alone is enough to give you a real good argument for resettlement. I cannot buy that, Sir, because in my opinion of it then, the kids' education, as important as that is, but for a family to move from one area, where they might have had an opportunity to make a living, into an area where the parents, where the father as the breadwinner, might find himself for the rest of his days on welfare, recipient of welfare. For that kid to grow up in that particular environment, notwithstanding what sort of school he goes to, certainly, Sir, I cannot see where this can improve that child's outlook on life, and certainly I cannot see where it can do much for him to better his chances in later years in terms of employment and other considerations.

Mr. Chairman, it was only last week the Premier stood in this House and expressed some concern that it might be the policy of the Federal Government to relocate or resettle, whatever term you want to use, all the people across Canada into a few cities like Toronto -

MR. SMALLWOOD: No, no. I did not say that.

MR. COLLINS: The Government Mr. Chairman, makes conditions such that the people have no choice but go.

MR. SMALLWOOD: That may be so, but that does not mean it is its policy. And I did not say it was its policy.

MR. COLLINS: Well they have not adopted a policy to correct that trend and it has been in the Government's means to come out with a policy to correct that trend.

MR. SMALLWOOD: Well, do not say that I said it is their policy. I did not say it.

MR. COLLINS: Well Mr. Chairman, the Premier said that he was worried.

MR. SMALLWOOD: And so I am.

MR. COLLINS: -- that the people of Canada were going to find themselves living in Toronto, Montreal, Winnipeg, Vancouver, Edmonton, Halifax and maybe St. John's - a possibility. Now last year we saw a report, I remember holding up the report here in this hon. House, where C.M.H.C., which is the Crown Corporation of the Federal Government, and they said that they had plans to relocate 80,000 people in Newfoundland in the '70's. I do not know if the Minister of Community and Social Development is aware of that or not - if that plan has been changed, but at least that was the plan last year, to relocate, resettle 80,000 people in Newfoundland.

MR. SMALLWOOD: Who said that?

MR. COLLINS: C.M.H.C.

MR. SMALLWOOD: They have plans?

MR. COLLINS: They have plans.

MR. SMALLWOOD: I find it awfully hard to believe that they would be that stupid to say that. They have no right to have plans. They have no jurisdiction.

MR. COLLINS: The C.M.H.C. have plans to - they have formulated plans. They are thinking in terms of the expenditure for relocating 80,000 people in Newfoundland. I do not know if they are moving them to Toronto, if they are moving them to Montreal, if they are going to move them into Badger or Millertown -

MR. ROWE (W.N.): Will the hon. member allow me on this particular point?

MR. COLLINS: I do not know if I will, because we have had a lot of interruptions from over there, however, seeing the minister is a reasonably good sort, he may ask a question.

MR. ROWE (W.N.): Mr. Chairman, the hon. member seems to confuse the difference between an actual plan to move people, and the necessity of accommodating that number of people should they decide on their own initiative to move. What C.M.H.C. and the Department of Fisheries in Ottawa for another, and the Premier, or the Minister of Finance in a Budget Speech some years ago,

stated, that in the course of the next ten or twenty years, there may be as many as 80,000 people moving in this Province to various growth centers, and that this figure was not to be taken as a quota or a target aimed at by either Government, but simply as a measure of the magnitude of the problem which would be confronting both Governments, should that number of people decide to move. And that every trend, every indication and every trend shows that over the next ten years or so, or twenty years, that number of people would in fact be desiring to move - and that Government had to take this fact into account or that trend into account in their planning process. And to attribute to either of these agencies referred to, a plan of their own initiative to move that many people is simply a travesty of the facts, and has no bearing on the reality of the situation whatsoever.

MR. COLLINS: Well Mr. Chairman, so much for that. The minister can talk that all day and nobody believes him, because C.M.H.C. would not come out with this report in a paper unless there was some good sound reasoning behind it -

MR. SMALLWOOD: What can you do?

MR. COLLINS: What can you do? It is a matter of opinion Mr. Chairman. This report appeared in the C.M.H.C. magazine, in a monthly issue. I am not prepared to say that C.M.H.C. - someone on their staff was half cockeyed, and he figured there were a certain number of people in Newfoundland who wanted to move away from the squiddin' ground and so on and so forth, and we will tell you 80,000 people are going to move. They must have had some report from the Minister of Community and Social Development. or from some other minister in this Province, otherwise they would not have grabbed the figure of 80,000 people out of the air.

MR. SMALLWOOD: Would the hon. gentleman let me ask him one question? If I say, as I do say, that we are likely to lose 50,000 of our people in Newfoundland in the next five years - 50,000 of our population in the next five years - if we do not provide work for them, could that statement be interpreted by any reasonable man as meaning that we have a policy to see that 50,000 shall go and must go?

MR. COLLINS: No, but it is certainly an indication that the Premier does not have much faith in the Province, and not much faith in his government, to provide jobs for them.

AN HON. MEMBER: That is the reason we have worked so hard because we have no faith in the Province -

MR. COLLINS: No trouble at all when you hit a sensitive nerve across the way. A sensitive nerve across the way - if this Government has been involved in resettlement all those years. I do not know how much money they have spent. Maybe the minister can give us an indication how much money has been spent.

MR. SMALLWOOD: We told it this afternoon - \$7.5 million in the past five years. He told it.

MR. COLLINS: How much money has been spent for any family moving from Point A to Point B - from B to C and next year from C to D? Has the minister those figures?

MR. COLLINS: Where did the minister get the figures on how many people were without work before they moved, and are working now, lovely towns.....

MR. SMALLWOOD (J.R.): Welfare department has those figures

MR. COLLINS: What kind of follow-up program do we have

MR. SMALLWOOD: The welfare department has those figures.

MR. COLLINS: No one has those figures on paper

MR. SMALLWOOD: The welfare department keeps a list.

MR. COLLINS: We asked questions this session of the House on how many people were on welfare, and we did not get an answer to it. But the minister can come up with all the people around Newfoundland who are moved now, knows exactly what they are doing? Nonsense, nonsense, nonsense.

Mr. Chairman, our argument always and still is, always has been and still is, that there is a need for resettlement. There is no doubt about it at all in the world. If people want to move, you have to assist them in moving, there is no doubt about that, and in fact I would go so far as to say that the Government has a responsibility to suggest to people in certain areas that they should move because of the high cost in providing services to them, the doubtful possibility of ever being able to bring in any worthwhile industry to let them find work - remunerative work, But Sir, I would also say that the Government has a tremendous responsibility when they think in terms of moving people, because, to move a person from a cove to Gander or Grand Falls or I do not care where it is, there should be a lot of thought given to it, enough thought that the people can be provided with suitable housing, that school facilities can be expanded to take care of the influx of people, that jobs can be provided so that the family, the children at least will not grow up with the stigma that the parent is on welfare. We can send them to school for fifty years, and I do not think we can eradicate that from their minds. I am sure we cannot.

Certainly Sir, there is a need for a lot of planning. I am pleased if the minister is talking about planning. It is about time that this Government started talking about planning, but as you know there has been no planning in the past, none whatever, In fact, Mr. Chairman, I have heard people say, in

areas in Newfoundland that the Government has gone so far as to introduce Mr. Chairman, an almost scorched earth policy so that people will have to leave. I have heard people say this, and if people are saying this on the coast, it is indicative of the way they are thinking, and those are the people, Mr. Chairman, who are involved in the relocation.

As far as I am concerned, there is a lot of work to be done, and there is no indication that enough work has been done yet. The Premier can talk all night and so can the Minister of Community and Social Development, they cannot convince the people of Newfoundland that there has been adequate planning done for the resettlement program.

MR. SMALLWOOD: Mr. Chairman, I suppose almost from the beginning of the founding of Newfoundland, almost from the beginning, almost from the first year that people began to settle on this island, almost from the beginning of the dawn of our history, of our European history anyway, it has been the practice of families in this island to move from one part of the harbour to another part of the harbour, from one side of a harbour across the ice in the winter with all the people helping to haul their home across to the other side, or from an island to another island, or from an island to the mainland, or from one cove in the main to another cove, In the main this has gone on for hundreds of years. St. John's today has a population of about 100,000 people, At least 50,000 of the people in St. John's tonight were born in the outports. Half, half our population in Newfoundland tonight - in St. John's tonight were born in the outports. They came to St. John's, they moved in, they were not hauled in, they were not dragged in, they were not forced in, they were not even helped financially to move in, they moved in entirely on their own and they looked after houses for themselves and they took their chances on schools. and they took their chances on churches and they took their chances on getting jobs and they took their chances to move in. Half the people of St. John's. 50,000 Newfoundlanders, outharbour men, baymen like myself. I moved in, I was born in Bonavista Bay, My parents brought me in it is true. But all over, all over this House tonight, all over St. John's

tonight, you have outport people who have resettled voluntarily.

Now, this has always happened all over the island. Where did the people come from in Grand Falls? There are a lot of people in Grand Falls, younger people who were born there, but you go to anyone forty years of age in Grand Falls, how many will you find forty or over that were born in Grand Falls? Go to Corner Brook, go to Buchans, go to Gander, how many people of Gander were born there? They are there from all over this Province. Go to Clarenville, go to Whitbourne, go to Glovertown, go to Hare Bay, in Bonavista Bay, go to Lewisporte, go to Springdale, go up to Dunville, go to Freshwater up by Placentia, and all over Newfoundland you will find settlements, large settlements, big places with a population of thirty, forty, fifty, sixty, seventy, eight, ninety percent of them moved in from some other part without any help, without any inducement, without any encouragement, without any financial subsidy of any kind whatsoever. They just moved in, why? Because, it is the practice in Newfoundland, for hundreds of years, to move.

Now, all we have done as a Government is this; in our second or third year in office, third or fourth year in office, we adopted a policy to help people if they wanted to move, to help to move them, to evacuate an entire settlement. Our rule was, number one, it had to be voluntary, number two, all the people of the settlement had to hold a meeting, number three, there had to be a representative from the department, from the Government, a civil servant, present at the meeting to make sure that it was voluntary, and number four, it had to be unanimous.

If as much as one person in the settlement said "no, I am against it" that was the end of it so far as the Government was concerned. One, one person, it had to be voluntary and it had to be unanimous, and the people had to be glad and happy to do it. It had to be something that they wanted to do. If they did then the Government helped them up to \$300,00 a family. Later on, we raised that up to \$500,00 a family. Later on again we raised it to \$700,00 a family. Then we got Ottawa to join us, to help us carry the cost, and they

have raised it up until today it is as high as \$5,000. or more. Now it can go more than that, but we carried it ourselves without any help from anyone for the first eight or ten years of the program.

Under that program it was provided that once a place was evacuated nobody, but nobody, was allowed to ^{go} back there to live because what we were afraid of, obviously, was this; that if we paid the cost of families moving out and an entire settlement disappeared, the houses were still there, that other people would just move in with free houses and the next thing you would have a settlement there again. So we passed a law in this House here to the effect that when a settlement was evacuated, by means of financial help from the Government, no one was allowed to go there and live.

When Ottawa came in on this plan, and shared the cost, and raised the benefit away up beyond, \$5,000. a family, when they did that they changed some of the rules, and today it does not have to be unanimous. If eighty percent of the people of a settlement, of their own free will, always it has been of their own free will, if eighty percent say, where it used to be 100 percent, " we want to go - to be moved, and we want help to do it," then the Government of Canada and the Government of Newfoundland between them will pay the cost up to \$5,000. and beyond \$5,000.

The thing is voluntary and something like 300 places have disappeared under this program, 300. Mr. Chairman, there were always, all through my life there were 1,300 places in Newfoundland, 1,300 settlements in Newfoundland. The day we became a Province there were 1,300 settlements in the new Province. Today there are something around 900, and a year or two from now there will be 800, two or three years after that there will be 700. Two or three or four years from that there will be 600, and surely as you are sitting there, your Honour, just as surely as that, not that your Honour will do it, not that I will do it, not that the Government will do it, not that this House of Assembly will do it, but the sheer weight of conditions, the sheer weight of circumstances, the fact that you have a university, the fact that you have built 1,000 new schools since Confederation, the fact that you built 5,000 miles of roads, the fact that you have radio now, that you have television

now, the fact that people are on the move now, these facts, plus the facts that you cannot get teachers to go to the little places anymore, and women, mothers and fathers too want their kids to get a decent chance in life, that fact which is the most powerful one of all, all these factors, the fact that you cannot always make a living in this little harbour or this little cove, everything combined, all put together, without anyone opening his mouth, without any pressure, without any compulsion, without even any enticement, the sheer weight of the facts of the twentieth century, the seventh or eight decade of the twentieth century, all these facts put together make movement inevitable. You cannot avoid it no matter what you do. You could not stem it, it would be like King Knut trying to keep back the waves, the ocean. You cannot do it, they are going to move whether you like it or not.

The only thing therefore is, will you help, will you help, will you help them to do it? Will you give them some financial assistance? Will you give them some guidance? Will you give them some counsel? When they do move, will you give them help with housing? Will you give them help with water and sewage? Will you give them help with medical services? Will you give them help with school opportunities for their children? These are the only questions, there are no others. They are going to move anyway. Is there anyone left who does not see this? They must be blind.

MR. ROWE (F.W.): Mr. Chairman, the hon. member for Gander, made a couple of points when he was talking about resettlement just now, which I think require some clarification. I am sure the hon. gentleman would not wish to give an incorrect picture of the town of Badger, any more than he would want me to give an incorrect picture of the town of Botwood or Bishops Falls in his district. He stated, and this is a fact, he stated that the twenty odd families in the town of Millertown Junction plan to move. This I understand is so. He stated that they planned to move to Badger. I know that some of them do plan to move to Badger. He referred to an article in the Grand Falls Advertiser last week, written by Mr. Fraser Lush, an excellent article incidentally. Such a fine article that I, in spite of such a pretty busy session we are in, I took occasion to write Mr. Lush, because, I feel that more writing on our

Newfoundland communities, including the ones that are disappearing, ought to be done or research needs to be done, not enough has been done.

The member for Gander said that he could not understand why they were moving into Badger. He would have understood it had they moved into Grand Falls. I presume he would have understood it if they moved into Windsor because Grand Falls and Windsor are side by side anyway. They are literally separated by a railway track. He does not know what has happened in the town of Badger in recent years obviously, or he would not have made - given this implication. When I became associated with the town of Badger, intimately, in a political sense less than five years ago, the population was 1,000. The population today is almost 1,700 according to the last estimate in Badger. The fact of the matter is Mr. Chairman, that the town of Badger is admirably situated for people wanting to work at Grand Falls. It is eighteen miles exactly, over a Trans Canada Highway paved to maximum standards, without breaking any speed law at all, I have done this hundreds of times, you can drive from Badger, the heart of Badger to the heart of Grand Falls and Windsor, in exactly eighteen minutes.

There are dozens of people, men and women, in Badger, who commute to work in Grand Falls and Windsor every morning and go home every evening in the same way as there are several hundred in Confederation Building who drive in here from Kelligrews and Upper Gullies, and Foxtrap, and from Torbay and Pouch Cove and from Bay Bulls every morning and go home every night, and do not miss a single day in the year. This happens in respect of the people of Badger who work in the mill at Grand Falls, who work in the great highways depot, the highways depot at Grand Falls employs permanently eighty men. I would say that not the majority, but a significant minority of those eighty men come from Badger, I know a good many who do.

Badger is admirably suited also for anyone who is taking part in logging operations because, which ever direction you go up the Buchans highway or out the Hall's Bay line, or back over Trans Canada and out the New Bay line, you have I would think several dozen logging camps being operated within commuting distance of the town of Badger. You therefore have a number of

contractors and loggers domiciled in Badger. Even more important, and this, I am surprised my hon. friend did not know this, he could not have known it, certainly if he knew it he was forgetting it, and it is this, that one of the most successful mines in Newfoundland is the one at Gull Pond, where there are tonight two hundred and twenty Newfoundlanders working, but there are only fourteen homes in Gull Pond. Where then are they coming from? The majority I would say are coming from Badger because again, Gull Pond is twenty miles, or twenty-two miles or something from Badger most of which is over the Trans Canada Highway. About nineteen miles of that is Trans Canada Highway, built to maximum standards. So you have dozens of Badger men getting their cars and trucks and pick-ups in the morning and going into Gull Pond, making a reasonably good living, and coming home and spending every night with their families. The result of all this is that Badger, contrary to what most people thought as the railway declined, and incidently it is still a railway centre of some importance, because Bowaters ship a great many of their - a great many thousands of cords of pulp wood from Badger by train. It is loaded at Badger and you have that as well as an auxiliary occupation there.

Badger, instead of becoming a ghost town, as so many thought would happen a few years ago, instead of declining, it has consistently grown until today it is one of the largest smaller towns that we have, a town of 1,700 and growing, and it has all the amenities of a civilized life. Paved highways, water and sewer system, and a good water and sewer system which we helped them to get, and a good cheap electrical supply of power, supplied by Newfoundland Light and Power, and fairly large elementary schools and quite a number of high school students I think are being carried into Grand Falls, but again it is within commuting distance of Grand Falls. So, Badger continues to grow.

Now, can anyone raise his eyebrows over the fact that the residents of Millertown Junction, twelve miles up into the wilderness you might say, have decided of their own free will to move into Badger; where they are in commuting distance of opportunities for work of one kind and another, within commuting distance or within their own area, within their own town good school systems. They are exactly nineteen miles away from the Central Newfoundland

hospital, a general hospital. And so these families, a number of them have decided to move into Badger. I am very happy, frankly I am very happy that they decided to do that. I think that Badger has a future and I do not say this with any ulterior motive in mind.

I think that Badger has a future, I have told the people of Badger that, and events have justified this optimism because, Badger is growing and is becoming a fine town.

One other point and then I am finished. I did not mean to stick on this at all Mr. Chairman, but I think that rather than leave the wrong impression, I should take up the time of committee on it rather than have the wrong impression left. There was a road built from the Buchans highway into Millertown Junction. It was one of the cheapest roads ever built in Newfoundland. It was a very rough road, and I will tell the committee how it was built. For many years the people of Millertown Junction had pleaded with the Government, they came when the Premier and I were there on one occasion in a private car, I happened to be in the Department of Highways at the time. Almost the entire community came and visited us and pleaded with us for a road but to give them a road at entirely our expense would have cost a prohibitive sum of money and we had to refuse, we did not do it.

About four years ago, in looking over some maps in the Department of Forestry, Mines and Resources, I noticed that they showed tremendous reserves of timber in that Millertown Junction area and I enquired as to who owned this and found that it was Price. I went and I saw the President of Price, Mr. Ross Moores, and I said, " you have a lot of timber up there, hundreds of thousands of cords of prime wood. What are your plans for that.? He said, " well, we plan to develop that in about eight or ten years time." I said, " When you develop it, what does that mean? Does that mean that you have to put a road in?" He said, " yes, of course, we have to put a road up through there." I said, " would you consider, if the Newfoundland Government helped you to build that road now, would you consider building it now instead of in eight years time?" He said, " I will have that considered by the Board of Directors." He came back and said " yes, provided of course it is only at the

same standard as a woods road." So, we left that in the hands of the company, Price (Nfld.) Company arranged for the contract to be done. The Newfoundland Government contributed a portion of the cost of that road, but it was built as a rough woods road at a cost, and I am speaking from memory now, I think it was built by Goodyears, and I think Goodyears, as a labour of love, and I hope nobody turns up his eyebrows at this either, as a labour of love for the people out there, Goodyears undertook with the company to build that road at cost, and I would say now that Goodyears did not make one cent of money out of building that road. They negotiated it with Price and the cost of that road was I think in the vicinity of \$20,000. a mile where the average mile of road in Newfoundland, gravel road in Newfoundland, costs something like fifty or sixty thousand dollars a mile.

That road has served those thirty families that were there for the past three or four years, and that road has also opened up one of the finest tourist sections of Newfoundland. Hunters go up there, and visitors drive up there merely to see the scenery. It is one of the few spots in Newfoundland where you can see the Topsails, the famous Topsails, from the highway. That road is now at this moment carrying on logging operations, Logging operations are being carried on on that road employing, I would imagine, several hundred men. I do not think the road was a waste of money. The little bit, the relatively little bit that the Newfoundland Government contributed to it, the \$10,000. a mile or whatever it was for about twelve miles, \$120,000. I do not think that \$120,000. was money wasted. I do not think it showed any lack of foresight or any lack of planning. If I had my day back again, knowing even now that the people were planning to move, I would still have gone to Price and tried to make the same deal that I was successful in making.

AN HON. MEMBER: We have been listening to the road.....

AN HON. MEMBER: (Inaudible)

MR. HICKMAN: That is right, the hon. Minister of Public Works says he does not blame me. We just listened to ten minutes of the road to Millertown Junction, and as soon as I get on my feet - do not talk! do not open your mouth!

Mr. Chairman, in reference to the comments of the Premier, as to what lies behind this resettlement and the voluntary moving of people, he is quite right when he says that people have moved from some of the smaller communities to the larger centres because schools are not available, or teachers will not go there, or health facilities are not available, or other of the social amenities are not available, Anyone has to accept that as being factual.

It is a fact that resettlement started long before Confederation. In Grand Bank the most prominent name was Thornhill, when I was growing up there, and not a Thornhill was born in Grand Bank, except in my generation, the other generation came from - resettled from Fortune Bay, but that is only an example. This is not the concern - the real problem, as I see it, is caught up in the resettlement program of the seventies. It is the areas that should still be provided with these services. and who are not being provided with these services, where we may find resettlement is not voluntary. It will not be involuntary in the sense that a representative of the Department of Municipal Affairs - of Social and Community Development will go in and say you must move, it may not even be where they will go in an by peaceful persuasion try and get them to move, but this DREE program has a side effect that can result in that very thing. A very appropriate comment on this problem, and I read it for the benefit of the hon. Minister, and I would think that he would have to agree that this is the problem that he must - his department has to face up to. It is a problem which arises out of the granting of the Dree money for schools

Mr. Hickman.

and it says this that even the money for DREE schools is not an unmixed blessing. The DREE Program places an emphasis on growth centres without giving the least recognition to the needs of other areas. Thus, St. John's will get no less than three schools and therefore about half the total expenditure under the DREE Program of school construction. Meanwhile dozens of smaller communities whose school needs are equally pressing to those of St. John's, get nothing. In this instance, the DREE Program is clearly accentuating the disparity which exists in various parts of this Province, which is hardly the stated objective of the DREE Program. Further it should be noted that the Provincial Government are obviously a party to this scheme to help haves and ignore the needs of the have-nots.

Now, Mr. Chairman, that is the subtle, insidious policy or programs that can take resettlement out of the category of the voluntary and put it in a category of the involuntary. Because, if you have on Fogo Island a community of 700 or 800 people and Fogo Island does not qualify for DREE assistance or that community does not, it is obvious that the people are going to have to leave whether they like it or not.

MR. ROWE (W.N.): What did we do before DREE?

MR. HICKMAN: I beg your pardon.

MR. ROWE (W.N.): Who provided schools before DREE appeared on the scene?

MR. HICKMAN: Before DREE appeared on the scene, the schools were provided by the Province..

MR. ROWE (W.N.): Well that is what we intend to do.

MR. HICKMAN: But you cannot very well do it - the Government obviously cannot do it on this year's vote, nor could it do it on last year's vote nor could it do it on the vote of the year before, because these monies

Mr. Hickman,

are pledged and are pledged for the next four or five years to pay for schools that have been built.

MR. ROWE (W.N.): But if DREE lifted some of the burden of the Provincial Government's shoulders, will this not make it easier for the Provincial Government to provide schools in the other areas?

MR. HICKMAN: Of course it will. It is not a question of condemning DREE at all. It is simply pointing out as the Educators Gazette says and as the NTA said again today and as the DEC obviously knows..

MR. ROWE (W.N.): We need more money for education.

MR. HICKMAN: It accentuates the disparity between the haves and the have-nots. This is why communities that may have no intention of leaving will find themselves in a position where they have to leave. Take an example of Badger, that the hon. Minister of Education referred to: Badger now has become and I suspect because of the construction of the Trans Canada Highway, has become a dormitory town for Grand Falls and the mine at Gull Lake. Now there are other towns in this Province that have all the natural facilities and the housing, the homes, to become dormitory towns for the growth centres, but they did a firm definitive declaration at this time and they need to be able to look to DREE or look to the Province for the providing of that Trans Canada Highway or equivalent thereof. They will remain viable too. That is the reason why Badger is viable. That is the reason why, I suspect, that Millertown Junction people moved into Badger. They would not have moved into Badger if the Trans Canada Highway had not been there.

Badger has become a dormitory town more by accident than by good planning. This is all - you know, what I say to the minister is that nobody is condemning DREE. Obviously if DREE were prepared to put in five times as much money as it is now putting in and if it were prepared to act with the utmost dispatch, which apparently, according to the minister he is

Mr. Hickman

having his problems in that respect. If they are prepared to do all that, that is well and good. But let us not paint this rosy, rosy, rosy picture, that with the implementation of DREE our problems are solved. They are not solved, and Mr. Chairman, they will obviously bring on more resettlement. You may argue that is good. But some of the resettlement may not necessarily be voluntary.

MR. CHAIRMAN: Carried. Shall 2006-01 carry? Carried. Shall 02-01 carry? Carried. Shall 02-02 carry? Carried. Shall 07 carry?

MR. HICKMAN: On 07, Mr. Chairman, there is a reduction in the vote this year of \$30,000 approximately from last year's revised estimates. Would the hon. minister indicate to the House where this moving equipment will be used and why the reduction. I thought I saw an inversion for two barges this year instead of one as before?

MR. ROWE (W.N.): Last year's estimate was \$98,000 and this year, it is \$65,000. The amount estimated for this year is to cover annual overhauls of the barge fleet and the acquisition of a piece of equipment for moving houses by land. This latter piece of equipment is in the nature of a float or trailer with a hydraulic lift deck for going over bridges and what not. The capital cost of this equipment, under the new resettlement, is expected to be seventy-five per cent recoverable from the Government of Canada. The yearly operation of the major barges are as a result of contracts.

Now, this year, Mr. Chairman, we acquired the barge that the hon. member referred to last year, which accounted for some of the ...

MR. HICKMAN: Do the Government own the barge?

MR. ROWE (W.N.): The Government own the barges. It acquires them at a nominal cost. They acquired the first barge at a nominal cost from the Government of Canada. There are some major capital expenditures to be made on the refitting of the barges and bringing them up to standards with

Mr. Rowe (W.N.):

the equipment and what not. The same thing applied to the second one. Now this year we are not buying any more barges of that type which accounts for the reduction in capital cost. We are thinking in terms of buying ^{this} a piece of land-moving equipment, which is not going to cost as much as the barges cost last year and, therefore, it will bring it up to the amount estimated last year.

Moving of houses by land on trailers...

MR. HICKMAN: Yes, that is needed.

MR. ROWE (W.N.): Right.

MR. HICKMAN: The barges which were operating in Placentia Bay were privately owned. Goodyear and Emberly and somebody..

MR. ROWE (W.N.): Right.

MR. HICKMAN: Is it the intention to hire or charter any of the barges this year.

MR. ROWE (W.N.): There were a number of barges. The large barges are owned by the Government - steel barges which are powered, mobile powered by engines and what not. Goodyear, Emberly and Dicks before them, operated these barges under contract with the Government. There were a number of barges built by the Government out of wood - built by contractors for the Government out of wood. I believe there was one before my time in the Placentia Bay area, made out of wood. I am not quite sure on that point. I can find it out but the major barges are owned by the Government and the other wooden ones, subsequently built, since my time, are owned by the Government as well.

MR. HICKMAN: How many barges will be operating in Fortune Bay this year? Also Hermitage Bay?

MR. ROWE (W.N.): Two barges .

MR. CHAIRMAN: Shall 07 carry? Carried. Shall 08 carry?

MR. COLLINS: Mr. Chairman, 08, \$1,140,000 approximately. Does this mean that the per capita grant - the grant per person is going to be increased or have the Government been successful in convincing people to move in greater numbers.

MR. ROWE(W.N.): Again, if I can refer to my opening remarks. I mentioned there that the Government of Canada is going to provide more money this year than they were providing last year. They are going to provide a maximum of \$2.5 million for resettlement grants this year or for resettlement program - a great proportion of which will be resettlement grants. We have not, you might notice, Mr. Chairman, the hon. member might notice, down in the contributions from Canada, 10-01, it is not \$2.5 million there, it is \$2,176,000. The best projection which we can have, which we have based on petitions and requests made by people to resettle, indicates that this amount of money will possibly be spent this year on the resettlement program. There is no assurance of that because people who have a petition to move and request to move may not in fact move.

On the other hand we may have people - more people requesting to move than have indicated up to now. It could go up to the maximum of \$2.5 million from Canada, which will bring the 08 vote a little bit higher than \$3.2 million indicated. But this is the best estimate, based upon all the facts and all the trends and all the predictions, which we can make, based on requests and petitions.

MR. HICKMAN: On that - I presume that it is on this heading, Household Resettlement Grants or it might be under Community Amenity Development Fund - I am not certain which.

MR. ROWE (W.N.): What is that again?

MR. HICKMAN: You have one down below - I am not certain which heading this comes under? You have the situation where a community, and this is

Mr. Hickman.

a problem, as the minister is aware, that I have in my district, where people, I think, in Seal Cove and Parsons Harbour have indicated that they would like to move to Fortune where there is full employment awaiting them. They want to move their homes and the barges will do this, but there is also the problem of accommodating these homes when they arrive at Fortune.

Now will some of that money or which heading will provide for funds to enable the municipality to provide the serviced lots and you know the proposal...

MR. ROWE (.WN.): Yes, I know. I am very familiar with it.

Well the one we hope to get in Fortune, as the hon. member will remember, was under CMHC. Now we are still trying to do that. There are others. This will entitle a resettler to the \$3,000 lots-supplementary to move on a land assembly project sponsored by CMHC. The one referred to under the Community Amenities Development Fund is where people - resettlers - do not move on to a full scale land assembly project but move into a sort of subdivision of a community where essential amenities are provided, water and sewerage and a road, a rough road generally, into the area.

In that case they are entitled to a \$1,000 lot supplementary, which is then paid or up to that amount is then paid to the contractor or the community as the case might be, whoever develops that subdivision - subdivisions usually \$1,000. They can run as high as \$1,200 because the Community Amenities Development Fund is only eighty per cent recoverable. In other words the Department of Community and Social Development throws in an extra \$200. So the cost of development of these lots can be up to \$1,200 - \$1,000 of which is recovered by the lot-supplementary also supplied by this department.

MR. HICKMAN: There is a difference - you have to be in a position ...

Mr. Hickman.

To get back to Fortune, there are two situation there. One which requires land assembly program by CMHC..

MR. ROWE (W.N.): Right.

MR. HICKMAN: Which the hon. minister is pushing for and this is to take care of a person who wants to build a shell house or buy a shell house or build a home on these lots. But the other situation is where the homes are to be moved in and the proposal that was put by the town of Fortune was; they would like to develop an area close to the sea..

MR. ROWE (W.N.): Right.

MR. HICKMAN: Because you cannot move these houses upon the CMHC development lots. They are too far away. It would be very expensive. And not put in your curb and gutter and the sort of requirements and sophistication that is required by CMHC.. Their offer was that if a grant were made to the council that they would do that for Government which they estimate to be a much less cost then if you had to go out and tender and call a contractor and call for different contracts and meet CMHC requirements. And why there is some urgency to this is that I understand that these houses now in Parsons Harbour and some other places over there are ready to move and the barges are there waiting or will be in the next few days to start moving them. Roncontre West now - well they will probably go into Ramea or Burego. But when these houses arrive, as I understand it, there is no place to put them.

MR. ROWE (W.N.): Well I have not..

MR. HICKMAN: Any hope of getting that underway..

MR. ROWE (W.N.): To be quite frank with the hon. member I have not had an opportunity to look at that specific problem now for the last three or four weeks, but I did have the privilege of dealing with the Town Council on the matter, and I have received representations from the hon. member himself. I was under the impression, again, to be frank that something had been worked

Mr. Rowe (W.N.):

out with the Newfoundland and Labrador Housing Corporation and my department, the Resettlement Division, on it. I have not had a chance to check, but I will certainly check into it immediately and let the hon. member know tomorrow.

MR. CHAIRMAN: 08 carried. Shall 2008-02-01 carry? Carried. Shall 02-02, 02-03, 04, 08 carry? Carried. Shall 2010-02-01 carry? Carried. Shall 02-01 carry? Carried. Shall 07 carry? Carried. Shall 08 carry?

MR. HICKMAN: Would the hon. minister give us a little more detail on the work or the proposed work of the economic and social research and evaluation contract?

MR. ROWE (W.N.): Yes, I certainly will. This subhead 07 or this vote - that is the one you are concerned with now - 07 is for contracts, usually with institutions such as the Institute of Social and Economic Research for basic research on evaluation of the activities and programs of the Department of Community and Social Development. It should be distinguished from the subhead already done 2003-03, which is related to contracts with individual firms or persons for development planning or programming exclusively in relation to the DREE program.

Now the type of contracts that are encompassed by this particular head i.e., a contract with the Institute of Social and Economic Research, specifically, Professor Tom Nemec, at Memorial University, who did a study on sociological and economic^a comparative study of St. Shotts and Trepissey for example. Another was a study on Newfoundland consumption spending patterns in these various rural communities. Another one was down on the - a geographical research on Newfoundland settlements, and there was another one on political culture and social economic development in Newfoundland. This is

Mr. Rowe (W.N.)

in relation to..

MR. HICKMAN: Is there another one starting now, Professor Coates?

MR. ROWE (W.N.): Who?

MR. HICKMAN: Coates.

MR. ROWE (W.N.): Coates at Memorial?

MR. HICKMAN: He used to be at Memorial but he is no longer here.

MR. ROWE (W.N.): Yes, he used to be there.

MR. SMALLWOOD: Good thing.

MR. ROWE (W.N.): He is gone. He was...

MR. HICKMAN: He is back! He is back!

MR. SMALLWOOD: What?

MR. HICKMAN: He is back doing another study, for your department. You had him down here doing a study.

MR. ROWE (W.N.): I do not remember having -- this is the type of contract envisaged by this subhead. It is the type of thing we like to evaluate some of the work being done by the field services, for example, and the resettlement program. We are likely to enter into a contract with some people, psychologists at Memorial University who are interested in doing some studies on attitudes of children, school children who moved in from remoter areas into larger centres, to find out how they are adjusting to - this type of thing - an evaluation of the on-going programs of the department.

MR. CHAIRMAN: Carried.

MR. JONES: 08 as it reads now, I think it is \$36,606,500. I move that it be changed to \$47,390,000 and that the appropriation-in-aid although we do not vote that, shall read \$35,650,000, the subhead 2010 will then be \$11,845,100 or about a net increase of about \$600,000.
Carried.

Block Provision: Salary Increase and New Posts, Mr. Chairman, to be changed from \$24,000 to \$24,800 and accordingly - now then we have

Mr. Jones.

to add in the increase from the earlier amendment and with the \$400 - my figures give me that the total for the Department of Community and Social Development should read, "\$14,274,900 and I so move it." Carried.

MR. CHAIRMAN: Shall the item as amended carry? Carried.

MR. SMALLWOOD: XVII- Highways, page (79).

HON. HAROLD STARKES (Minister of Highways): Mr. Chairman, I do not propose to make any long statements, but I want to mention one thing in particular in connection with the Highway Program I announced recently. I know that there is a question on the Order Paper, Mr. Chairman, a quite involved questions that I have not yet answered.

MR. MURPHY: Well do not bother with it, we will be out of here in a couple of days anyhow, and you will not have any answered.

MR. STARKES: I have asked officials of my department to prepare this answer and up to the present time it has not been completed but I do have some information on specific projects, and I shall try to show under the proper headings just how we propose to undertake the projects that I outlined in the program. To accomplish this, there will be an amendment to the estimates under the proper subhead. Mr. Chairman, I will be glad to co-operate with the committee and answer any questions concerning the estimates to the best of my ability.

MR.-HICKMAN: Would the hon. minister indicate to the committee what the law is and the policy concerning the closing of public highways, the barring off of public highways? Once in a while I see a sign that this road is closed.

MR. STARKES: Explain what you mean?

MR. HICKMAN: If you see a highway with a sign up, obviously a Department of Highway sign, "this road is closed." Now, on whose authority is that done? Can it be done by anyone, without the authority of the minister?

Mr. Starkes:

The highway may be closed by order of the minister or Order-in-Council. Temporary closing is by order of the minister, if for some reason the highways has to be closed - there may have to be a special job done on it or something like this. Then it is closed temporarily by order of the minister.

MR. HICKMAN: Well I cannot..

MR. ROBERTS: The hon. member might be referring to cases where, for example, a road is rerouted and leaves a cul-de-sac

MR. HICKMAN: No.

MR. ROBERTS: All right go back. We close them by Order-in-Council.

MR. HICKMAN: They are closed by Order-in-Council.

MR. ROBERTS: Yes.

MR. HICKMAN: This brings up a point, and I think it comes under the general heading of Government policy. There is a new highway in this Province, built within the past three years, out of Government funds, solely and exclusively out of Government funds, and it is solely and exclusively a public highway. I was driving along the Trans-Canada Highway, a couple of weeks ago, and I noticed again on Saturday the same situation prevailed. At the intersection of this public highway and the Trans-Canada Highway there is a sign: "This Road Is Closed". I knew that this was a public highway, and I questioned the right of this highway to be closed, and I started to drive down it. Then I found that the company, a private company, had barred it off.

MR ROWE (F.W.) A public road?

MR HICKMAN: A public highway. And the road that I refer to and the public highway that I refer to, of excellent standard and excellent width, is the road to Come By Chance. When you drive along the Trans Canada Highway.

MR ROWE: That is not a public highway.

MR. HICKMAN: That is a public highway, built by public funds, built under the jurisdiction of the Hon. the Minister of Finance when he was Minister of Highways and paid for every cent of it by the Government of Newfoundland less any appropriation in aid from Ottawa. And this road leads to the sea, and along - on each side of this main highway, this Government highway, this Government road, this public road - on the right hand side you see certain buildings that belong to the alleged paper mill and on the left hand side there are the oil tanks belonging to the oil refinery. But the main highway goes right to the sea. But now something has happened. For some reason the public are not allowed to travel over this public highway any more. I have to confess that I ignored the sign at the intersection and started down, but when I got half way down, and before I reached these buildings, here is a fence right across the public highway. Now it seems to me that no one has the right to do that, and I cannot conceive of government passing a minute of council authorizing it. But it is there, as sure as I am standing on this floor. You cannot drive over that public highway today and get down to the end as you could six months ago. I have driven down there dozens of time in the last two years since that road was built. It is now barred off.

AN HON MEMBER: Six months ago?

MR HICKMAN: Six months ago, yes. Certainly last fall -

MR STARKES: Mr. Chairman, last winter during a snow fall we agreed that this road should be closed because it was not used by the public to any extent, and we agreed that we would put a sign up to say the road was closed, and it was not applied except on one or two occasions. I will investigate the matter regarding the barring off of the road at the present time. However, I was not aware of it.

MR MURPHY: Who are the "we" that closed it?

MR STARKS: The Department of Highways, because it was not driveable. We were afraid that a car would go down and get stuck on it.

MR SMALLWOOD: Is it all right now?

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MR HICKMAN: Yes, and it is a good highway. You know you can hardly find a pothole. There is no reason for barring it off. In the first place it is illegal. That is what I resent and object to, that when you get half way down there is a guard house, on the left hand side and right across is one of these gates, and says: "No one allowed beyond this point". I say that any one in Newfoundland should be allowed beyond this point. They are not going on private property. They are simply going, which they have a perfect right to do, to drive over that highway down to the sea. And the implication and the insinuation is quite clear, that people do not want the public to see what is going on down there.

MR STARKS: I will have it checked into tomorrow.

MR HICKEY: Mr. Chairman, I think this is as good a time as any to discuss the matter that I have in mind.

The hon. minister, no doubt has received some kind of petition. I am not sure but I think it is the general practice, for a petition from some resident of Mount Scio Road, in connection with the condition of the highway in their area. People are asking that the road be improved. I presume they mean in terms of gravel. However, Mr. Chairman, it

pointed out the need for pavement in this area if it were at all possible. Not just for the sake of having it paved but for a number of good reasons. The road lies on the boundary I believe or stretches through part of Pippy Park. Traffic in that area has increased tremendously this past couple of years. Sir, as pointed out in Mrs Peddigrew's letter, accompanying the petition, for a reason which is even much more important; that is concern on behalf of residents for their children who attend school. There is no bus service in that area. The children must walk to school or ride a bike whatever the case may be. I would like to draw the committee's attention to the fact that there was an unfortunate accident on that road last year which took the life of an eight year old girl. One of the reasons given is because of the acute dust problem, for that accident, I am not sure just what the details were. But certainly Sir, it is a road which needs attention. I would hope that the hon. minister might possibly be able to squeeze enough funds to put a bit of pavement there. I realize that he is hard-pressed this year by the number of roads and I might add at this point I appreciate very much the efforts that are being made in other parts of my own district. However, I feel duty bound to bring this to his attention, having received a copy of the petition. I am sure the people in that area would appreciate very much anything that could be done and if paving is not possible at least to resurface it in some way, possibly oil it or do something along those lines.

MR.A.MURPHY: Mr. Chairman, 1703-01, on this particular one. I will wait until I get down to the item I want to ask a question on it.

On License plates Mr. Chairman, and I am speaking - with the new setup - in the issuances of license plates and licenses and the cost of license plates is \$140,000 this year, down \$56,000 from last year. And it has been suggested on many occasions that we might adapt the system of having a permanent license

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plate in view of the cost of license plates. I was wondering if the minister had given any thought any consideration to license plates. I presume they are still making them here in the Province as we adapted to - and while I am on this and I have to deal with licenses and that is the fact that now under the new system of granting licenses where I think we purchase them for three years to two and a-half years whatever the case may be, I am wondering just what the revenue this year will be as compared to other years. Is this fully in effect now where every license issued has been done over the period of three years. Or we are not completely into the system on this - That is what I wanted to know in reference to license plates. I do not know but some people in this House, in committee, have felt for many years that the issuance of a new license plate every year and particularly two, you know, front and back, is a considerable expense in funds which they believe could be saved on this particular item. I wonder if we have given any consideration to the system of a permanent.

MR. STARKES: Yes, Mr. Chairman, when these estimates were compiled we anticipated going back to the ordinary paint instead of the reflectorized paint on license plates. After that and a lot of discussion and consideration and having been told that our present license plate was good for an extra year, we now anticipate using a validation sticker, on the present 1970 plate for 1971. But we are going to call tenders for plates for the following year.

MR. MURPHY: I see, in other words you hope that the 1970 plates will do for 1971 also

MR. STARKES: With a validation sticker.

MR. CROSBIE: 1711-01 Roads and Bridges: What is the position on the Labrador road, the road that was being built from Happy Valley-Goose Bay area towards Churchill Falls? Then it was planned to carry it down to Wabush and Labrador City. There was approximately \$6 million spent on it several years ago. I do not think there was any money spent last year and it has not been announced that any money is going to be spent on it this year. I understand

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that the government is trying to persuade the government of Canada to make a contribution towards that road, which they have not done yet. I believe all \$6 million so far has been spent by our own government. So what is the position on that for this year?

MR. SMALLWOOD: Mr. Chairman, as it happens that I am the person who has conducted negotiations on that matter, I think perhaps I might be the right one to answer the hon. gentleman's question. The government, through me, have been negotiating with two different authorities, one private and the other public. The negotiations with the private group have been delayed by the tragic death of a very key person in it. But as indeed the logical thing is for a certain thing to happen, I do not want to spell it out. It would be short-sighted of us to spend any more money on it until the decision is made as to whether we are going not only to get help but have it taken completely off our hands. We are hoping that it will, the cost will be taken completely off our hands. This is what we are hoping. We have some good reason to hope for that. So that being so it would be a bit short-sighted, when we need so much money for a road elsewhere in the Province, for us to spend any money on that now. In connection with roads in Labrador I expect to have some extremely important news, I hope quite soon. In fact I have the news now but I am not privileged to reveal it yet. There were conversations here in this building between visitors to Newfoundland and myself. Indeed they had lunch with me and some of my colleagues, here in this building and yesterday. I had a telephone call from my colleague, the minister of Mines, Agriculture & Resources, who is presently in Ottawa, due back here tonight or tomorrow morning. He continued the conversations and was in communication with me by telephone yesterday, from Ottawa. I would not want the committee to think that Ottawa, the fact that it was Ottawa has any significance, it has not. It could have been Montreal or it could have been anywhere but in fact it happened to be Ottawa.

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Well that has no particular significance. I would not want anyone to jump to any conclusions in that respect. But it is very good news and I will be very happy when I am in a position to announce it. So, there are two matters on which we are negotiating with roads in Labrador. It must be clear to the committee. It must be clear that this Province has not got so much money that we can build schools and electricity and water and sewer systems and roads and bridges and do paving all over the Province including the vast territory of Labrador. We just have not got that kind of money and we are not likely to have that kind of money. And yet, on the other hand, a road across Labrador is absolutely of life and death importance to this Province. Yet we have not got the money to do it. We have not got it or we might do it, ^{at} a snail's pace. If we were to do it we could do it only at snail's pace but we are endeavouring to do it, as the hon. member who just spoke suggested to me, in that we are trying to get substantial financial help. The negotiations are going fairly well.

MR. MURPHY: Who started the road is that a federal -

MR. SMALLWOOD: We did, the Government of Newfoundland started the road and every dollar that has been spent on it has been spent by this Government. By no one else just this Government. But this is part of a road you see from Forteau to the border, to Lake Melville, or you might say to - from Forteau in the Strait of Belle Isle to Labrador City and the city of Wabush, via Lake Melville and Churchill Falls.

MR. MURPHY: This is heading for Churchill Falls -

MR. SMALLWOOD: It is heading from Lake Melville to Churchill Falls. That is only one section of it. That section so happens, somebody said in this House, it might have been the hon. member for Gander, some one said here within recent hours or within recent days someone here, I think it was in this House who said that the road from Lake Melville around Goose Airport, Happy Valley that area there to Churchill Falls is the obvious way. It was the member for Labrador West I think who said it is the obvious way, far more obvious way, to deliver the utterly incredibly big and massive and heavy equipment

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that has yet to be delivered into Churchill Falls, the vast turbines, the vast generators. It is questionable whether a lot of that stuff can be carried over the railway. It is questionable whether the bridges would bear the weight of that unless they send it in in pieces and assemble it on the job. Well, assembling it on the job is enormously expensive because it has to be done by sending in an army, a small army of extremely high paid technical personnel, to do it. Now, it is far better to send a whole article and move it up into place over a road from Goose Airport. And certainly when the strike occurred there a year or so ago at Seven Islands, a handful of men who picketed the railway and the railway closed down, at that time Churchill Falls Power Corporation spent far more than the cost of building the road from Goose Airport to Churchill Falls. Far more than the cost of building that road they spent in the hiring of aircraft to have a vast airlift into Churchill Falls.

They were actually flying gasoline in. They were actually flying all kinds of supplies and they spent enough millions of dollars in a short period of two to three months. They spent enough money on that airlift to build that road. It was then that negotiations began in earnest because before that I had been suggesting and pressing strongly for a contribution. But now the negotiations took a new turn. "No, never mind your contribution, build it at least allow us to build it." Or build it, they build it. Now, I still have strong hopes of that. And I have the knowledge, not the hope but the knowledge that I shall before too long be able to make an important announcement of another road we intend to build in Labrador and how we propose to pay for it. This will be an extremely interesting announcement, when I am privileged to make it. I am not yet privileged to make it. I know it is so but I am not yet, have not yet got the right to make the statement.

Now, as I happen to be the one conducting these negotiations, I thought I would be perhaps the best person to answer the hon. gentleman's question.

MR. CROSBIE: Well, just on the road generally I would like to ask here, Mr. Chairman, I asked the other day on Orders of the Day about the proposed road

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from Burgeo to the existing road system. There was an announcement from Mr. Jamieson's assistant on the south coast that there is going to be a road done this summer by the Province. "In consultation with Premier Smallwood it has been agreed that the Provincial Government will include the Burgeo road link in its current highway programmes and that work can begin this year. Agreements to compensate the Province for this undertaking will be worked out and subsequent negotiations with the Province as regard to various ongoing federal programmes in Newfoundland."

Mr. Jamieson has indicated the interest of his department in the experimental construction of low-cost roads as a means through which to end the isolation of remote communities in many areas of Canada. Well the area of Canada Mr. Jamieson should be most interested in is this area. And in the area of Newfoundland I presume it is the area of Burin-Burgeo. The announcement went on to say Burgeo offers many advantages for such tests and gravel access roads for resource development purposes already extend from the Trans-Canada Highway to within thirty odd miles of this growing south coast community. I had not realized that. I do not know what roads that means, logging roads perhaps. But building the proposed road from Burgeo -

MR.SMALLWOOD: Power Commission roads.

MR.CROSBIE: Power Commission. By building the proposed road from Burgeo to link up with the existing roads in the area maximum utilization can be obtained for a highway link that would otherwise fall into disuse and so on. Under normal circumstances it would not be possible to foresee the Burgeo road this year but the Province has agreed to undertake it and get re-imbursed by Ottawa. Now when I asked the other day would this go to Bay D'espoir or would it go out to Robinson's the Premier said it would go somewhere in between. I presume

MR. CROSBIE:

this means that it is to join up with roads that have been built by the Power Commission. Could we have some information from the Minister of Highways on that road, when he expects the work to start, is it going to be a low cost road and how much help is he going to get from Ottawa later on to reimburse the Province?

MR. SMALLWOOD: Well, again this is a negotiation that was carried on between our Federal Minister and me and I am therefore better able to answer it than is the Minister.

MR. CROSBIE: This was at the Swift Current conference, was it?

MR. SMALLWOOD: No, it was not. I think, I am not sure, I think it was either in my house or in the Minister's house here in St. John's. Anyway we had a long talk. I think the hon. member is right, yes. I spent most of a day up there with him recently and it was at this conference that we made this decision, among a number of other decisions, and we discussed this subject along with a quite a number of other subjects. The idea is that an experimental road is to be built and I would like the Committee to take this term seriously. It is an experimental road, experimental in the sense that we are going to find out whether it is really necessary. If you build a road where there is no road now, if you build a road that is rather long, maybe sixty or seventy miles long, to connect an area which is presently in complete isolation, do you have to build it to a high standard and spend an enormous amount of money and take a lot longer to do it or is it possible and practical to build a road to a relatively low standard, not standard width, not standard grade, not standard curvature, nevertheless a road built to relatively low standard with a view, years later, to upgrading it, taking the bends out of it, some of the grades, reducing the grades, widening it and generally improving it?

Now in that sense the experiment is one that we tried in Newfoundland long, long years ago. This is how we used to do it in Newfoundland years ago. Lately, I see the former Minister of Highways looking quizzically at me because he is a victim of this superstition that has grown up in Newfoundland among engineers that you cannot build a road unless it is built to high standard. The same superstition has grown up among another run of people, that you cannot

MR. SMALLWOOD:

build homes unless they are really high class and you have to pretend that you are living in the affluent society, you have to pretend that money is no object, that you can do what you like, hitch your wagon to a star. Now that is all very nice and very attractive if you can do it, But the experiment is to revive the old method there always was for building roads, build them according to your means and upgrade them later. So Mr. Jamieson announced months ago that he hoped to, I think he announced it at the opening of the Fish Meal Plant at Burgeo and I think the hon. gentleman who ask the question now was president and probably heard him say at that meeting that he hoped to get funds from the Canadian Treasury to try this experiment of building a road deliberately to see how it would work. Now he said that impassively, with a straight face and so am I now tonight referring to it in a sober fashion and I am taking it very seriously and we have agreed in this Government that to build that road on the understanding that though we build it with our money, Ottawa looking upon it as in the national interest, that this kind of experiment should be tried, will before the end of the current financial year find some way to adapt this experiment and make it a Federal experiment. By then we hope the road will be built or nearly built but at all events we hope it will become a Federal experiment where it starts off as a Provincial one.

I wish the hon. gentleman would ask no more questions on this subject.

MR. CROSBIE: Where is the road starting out?

MR. SMALLWOOD: It will start off from Burgeo and go inland and hit the Power Commissions road and thus and thereby reach the Trans-Canada Highway. No it is not the other idea there was, which was to start from Burgeo and go, roughly speaking, in a Northwesterly direction and hit the Trans-Canada Highway somewhere in the vicinity of St. Georges or maybe a little West of St. Georges, sort of just diagonally across the South West corner of this island. It is not that idea, it is rather to come a little more to the Northward instead of North and West, come roughly Northward from Burgeo and hit a Power Commission road and thereby reach the Trans-Canada Highway somewhere in the vicinity, I would think, of -

AN HON. MEMBER: And hit the Bay d'Espoir road.

MR. SMALLWOOD: No it does not hit the Bay d'Espoir road but it would come out to the Trans-Canada Highway not too far from the Bay d'Espoir road, would it?

MR. STARKES: At Badger.

MR. SMALLWOOD: At Badger, well Badger is not too far from Bishops Falls. So the two roads would hit the present one from Bay d'Espoir and the new one from Burgeo would both of them hit the Trans-Canada Highway, not too far apart on the Trans-Canada.

MR. MURPHY: Mr. Chairman, just one or two thoughts, because we were planning to get through these estimates by 11 o'clock but I do not know how long we can carry on with that, if we are going to have any long speeches. With reference to the Labrador road, I was quite interested in the Premier's statements on it and with reference to this heavy machinery that could be transported to Churchill Falls. Well, I certainly hope that Churchill Falls does not have to wait for the road to get into Churchill Falls to get this machinery in there. Secondly with reference to this great, heavy machinery that would have to be taken down, I see no reason why the manufacturer could not ship it in parts instead of assembling it in the plant and send the men in to assemble it at Churchill Falls. I do not think there would be too much of a problem to that.

MR. SMALLWOOD: Well, this you see would be quite expensive.

MR. MURPHY: With reference to this new road and the type of road, I have often wondered and often thought why every road should be built to the one standard. Now we cannot, I do not think, sacrifice engineering as such. I think the engineering is very important in every road but the Trans-Canada takes say a thousand cars an hour. For example; we go down the Road to the Isles or Lewisporte road, why we have to go to this great sophistication of going down and ballasting and this sort of thing. Actually I believe roads are built more for the amount of heavy traffic they will take. I quite agree and I think the thought has been expressed before - why build every road to Trans Canada standards? There is no reason why we cannot - here in the city of

MR. MURPHY:

St. John's, for example, take your paved streets and paved roads, they carry a tremendous amount of traffic and the wear and tear on them and they last a fair amount of time and the only thing they need every now and then is the little bit of top coating where you fill in your pavement and this sort of thing.

Now this may not apply perhaps where you are out in the wilderness and perhaps frost and so on, this all would have to be anticipated, but quite basically -

MR. SMALLWOOD: Would the hon. gentleman like the job of Minister of Highways?

MR. MURPHY: Beg pardon?

MR. SMALLWOOD: Would the hon. gentleman like the job of Minister of Highways because there are ex-Ministers of Highways here tonight and Ministers who are bursting with indignation right now.

MR. MURPHY: Because the Premier and I are telling them off.

MR. SMALLWOOD: That is right, that is right.

MR. MURPHY: Do not take it to heart.

MR. JONES: Well, I will make a deal with him, Mr. Chairman, if he wants to build an inferior road in the summer we will give him the job of keeping it open in spring and plowing it in winter.

MR. MURPHY: Well, let us not get too far away as I am talking about the engineering of this road and, if we are going to build a road, we do not want to build a road where you can just scrape by like coming over from Lamaline across the hill, where one fellow has to pull up on the mountain to let the other fellow through. But basically I think it has to be a fair width -

AN HON. MEMBER: (Inaudible).

MR. MURPHY: But I am talking about the actual roadbed itself and I do not think that needs to be of Trans-Canada standard where you have to go down and down because, as I say again, I presume and I am not an engineer and I have never been Minister of Highways and I have no ambition to be Minister of Highways, but where a road will take a certain number of cars and a certain amount of traffic, I think it is quite a sound idea because I believe we can get an awful lot more miles of road on this without sacrificing, as I say,

MR. MURPHY:

the engineering, the grades and the width of the road.

MR. SMALLWOOD: Basic

MR. CROSBIE: Mr. Chairman, I have a great deal of sympathy for the Minister of Highways and the past Minister of Highways also. But I think that obviously there is a plot in this thing anyway because, once you get the low grade road down, there is going to be such an outcry and an outburst every spring and every fall and every winter that in no time at all the Government of Canada is emptying the coffers to improve that road. So I do not know who is plotting on who, whether it is the Premier plotting on the Minister of Transport or vice versa. But I have no doubt that when the road is built from Burgeo that very shortly it will turn into a fairly decent road, no matter what is said in the beginning.

MR. SMALLWOOD: In other words we are hoping that the experiment will be a success not in the minimum degree but the maximum.

MR. CROSBIE: Well, I would say that they are hoping that the experiment is going to be ^a failure and that they will then get a decent road from Burgeo out.

MR. SMALLWOOD: Oh, no, a success in the sense to which the hon. gentleman describes it.

MR. CROSBIE: Yes, a success in the sense that it will be a failure. But anybody who has been to Burgeo, Mr. Chairman, I have only been there once, would certainly appreciate -

AN HON. MEMBER: (Inaudible).

MR. CROSBIE: Oh, we did well in Burgeo or in part of the district anyway. But anybody who has been to Burgeo, Mr. Chairman, would certainly hope that this experiment will be a success because they have full employment down there as far as anyone can see. In fact it is the only place in Newfoundland that I have ever been they have llamas and zoos and farms and I was never more surprised to find an zoo and a farm down in Burgeo.

MR. SMALLWOOD: Llamas and zoo

MR. CROSBIE: The day I was there they had a real live llama and a real live Premier. It was quite a spectacle but I will not say which was more impressive.

MR. CROSBIE:

But anyway, Mr. Chairman, I hope this experiment works and that the Government will be successful but I can see a plot behind it all and I hope it all works.

On motion 1711(02)(01) carried, (02) carried, (03) carried, (04) carried.

On motion 1711(03)(01) carried, (02) carried, (03) carried,

1711(03)(04) - Winter Maintenance:

MR. CROSBIE: Mr. Chairman, I have a question here. Winter maintenance, the amount this year is just \$3,700,000. when the actual amount spent in 1969 was \$5,900,000., does the Minister expect an extremely mild summer and an extremely mild winter next year and why is the vote so much down from the actual of a year ago?

MR. STARKES: That is \$3,900,000. not \$5,900,000.

MR. CROSBIE: No in the public accounts for 1969 it was \$5,900,000. spent for the year ending March 31st, 1969.

MR. ROBERTS: This was maintenance more or less on summer equipment. So in 1969-70 what was the actual amount?

MR. SMALLWOOD: Really it is a guess every year. At this time of the year you are guessing on how much money you will spend next winter on road maintenance, you know, how do you know?

MR. MURPHY: When you come to \$2. million you will know.

MR. CROSBIE: Well, it is very optimistic.

MR. ROBERTS: Well, what was the actual this year?

MR. STARKES: \$5.6 million

MR. SMALLWOOD: For the year just past?

MR. STARKES: Yes.

MR. CROSBIE: So this is an underestimate and there is really no point in pointing it out but anyway it is an underestimate. The odds are it will be up \$2. million this year. I will bet the Minister of Highways \$5.00 that the vote is going to be over \$5. million for this at the end of the year.

MR. SMALLWOOD: It might be, it might be.

On motion 1711(03)(04) carried, (05) carried, (06) carried, (07) carried, (08) carried.

MR. COLLINS: Mr. Chairman, could the Minister indicate to us what success he is having in getting the Provincial road maps out this year? I believe the Tourist Boards across the Province have been complaining because the tourist season had ended before the maps were received.

MR. STARKES: Mr. Chairman, we understood that the Tourist Department will be looking after road maps this year so we have not arranged for any road maps.

On motion 1711(03)(09) carried, (10) carried, (09)(03) carried, (04) carried.

(09)(05):

MR. CROSBIE: No vote.

1711(06)(01)- Improvement and Reconstruction:

MR. JONES: Mr. Chairman, I move that the total of \$3,578,000. be changed to read \$15,578,000., an increase of \$12,000,000.

MR. SMALLWOOD: Is this in (01) or is it (01) and (02) together?

MR. JONES: No, that is in (01).

MR. MURPHY: Wait until we come to (02). Now I presume this is to cover the great announcement that we heard in this House made by the hon. Minister of Highways and apparently the projected cost of that will be something like \$12. million. Am I right in this?

MR. STARKES: So the total amount will be \$16. million.

MR. MURPHY: Well, \$3. million was the estimate arrived at last fall and then all of a sudden someone got an idea that we should do a lot of work this year for some reason.

MR. SMALLWOOD: Not all of a sudden, no, not all of a sudden.

MR. MURPHY: Not all of a sudden, well, within the space of forty-eight hours and then we decided to put another \$12. million on it and I presume this \$12. million is to cover the great announcement, one of the great announcements.

MR. ROBERTS: That is to cover this year's part.

MR. MURPHY: This year's part.

MR. ROBERTS: Next year there will be more.

MR. CROSBIE: Mr. Chairman, this increase of \$12. million, would the Minister tell us, this is money coming from where now under the DREE program, is it?

MR. MURPHY: Liberal campaign funds.

MR. CROSBIE: Is it Provincial -

MR. SMALLWOOD: We are going to spare some of it and send it to Ottawa.

MR. CROSBIE: This increase is a deficit then in the Budget and instead of borrowing \$50. million we are going to have to borrow so many million more, is this correct?

MR. SMALLWOOD: That is right.

MR. CROSBIE: Well, do we get an amended budget when the estimates are finished because -

MR. ROBERTS: In other words the Appropriations Bill will retract the amounts.

MR. JONES: Mr. Chairman, when all of these various amendments that we have considered here and we will have to consider at least one more in Highways then we will have a grand total and when the Bill is presented it will reflect the amendments and the blue estimates, as my colleague says.

MR. MURPHY: And then we can compare with the Budget speech.

MR. CROSBIE: But could the Minister give us - I know that we will get an Appropriation Bill which will reflect it but after all the changes that have been this year in the items and the estimates plus in DREE, statements and all kinds of DREE and all that kind of business and then there has been all the salary business -

MR. CROSBIE: Could he give us a little statement some time before the House closes, just showing where he thinks we are going to be, so far as the capital and current account are this year, and what the minister has to borrow?

MR. JONES: Mr. Chairman, I think it will be obvious by comparing the Blue Estimates and the Appropriation Bill with the -

MR. CROSBIE: There is nothing like making the obvious more clear, you know it maybe obvious to the minister, but not to the rest of us. No, it is not enough, Mr. Chairman, I will vote against it. It is not enough.

MR. CHAIRMAN: Shall O2 carry? Carried.

MR. MURPHY: Is there no amendment on O2; Mr. Chairman?

MR. WORNELL: Oh! on O2 - I would like to ask the hon. Minister of Highways if there is anything in this appropriation for Swanger's Cove Bridge in Bay d'Espoir. That bridge has been pretty rickety for the past two or three years. The former hon. Minister of Highways well knows, and it was my understanding that something would have been done for this. I just asked the hon. minister if any allocation has been set aside for this year?

MR. ROBERTS: That would not really come under 10.

MR. CROSBIE: Replacement of old bridges, down a bit further.

MR WORNELL: Well, I will ask the question now because it will be new construction not repairs.

MR CROSBIE: Under new construction, Mr. Chairman, this is all very serious - improvement and reconstruction has gone up, \$12 million. On new construction, the minister is only asking \$1,595,000 for new construction when in 1969 he actually spent \$5, 165,000. Is this year to be a one-quarter poorer year in new construction than the 1969 one ? The Public Accounts show \$5,165,000 for 1969, the year ending March 31, 1969, and this year only \$1,595,000.

MR. H. STARKES: Now, Mr. Chairman, the roads program is very comprehensive, and if you would look through that program you would see that ninety-five percent of the total program is for reconstruction and improvements. New construction means like the roads down in the hon. member's district of Hermitage, has new construction.

MR. CROSBIE: Harbour Breton to Bay D'Espoir.

MR. STARKES: No, from Hermitage to Harbour Breton. Harbour Breton to Bay D'Espoir would be under DREE. And the Hermitage Road would be new construction. But there are very few projects under new construction, but most of it is reconstruction and improvement and paving.

MR. COLLINS: Before we get off of this subject, I wonder would the minister be able to tell the committee if work is resumed on the Botwood accessroad? I understand the project is being paid for from DREE funds. Has work resumed on that, and what is the projected date for completion?

MR. STARKES: Yes, Mr. Chairman, work is resumed on that road, and very shortly we will be calling tenders for paving.

On Motion 03 to 04 carried.

MR. CHAIRMAN: Shall 05 carry?

MR. MURPHY: Mr. Chairman, 05 - On the Trans-Canada Highway - what is envisaged to spend \$11,500,000?

MR. SMALLWOOD: Upgrading.

MR. ROBERTS: From Gander up to Grand Falls is the largest chunk, and some on the West Coast.

MR. MURPHY: Still working on the West Coast.

MR. ROBERTS: I am sorry?

MR. MURPHY: You are still working on the West Coast.

MR. ROBERTS: Oh, yes. Finally, I think, awarded the final tenders for paving it.

MR. CHAIRMAN: Shall 07 carry? Carried. Shall 08 carry?

MR. MURPHY: What happened to 06?

MR. COLLINS: What happened to 06, Mr. Chairman? I am aware that there is no vote there. But if I may, Mr. Chairman, just a short question. I am sure the minister is well aware of the great need for the completion of the road around the loop from Gander to Gambo, likewise the road from Lewisporte to the Isles. I wonder would the minister tell the committee how much of the Gander Bay Road that is proposed to reconstruct this year? And how much of the remaining section of the road, down around to Carmanville and Musgrave Harbour?

MR. STARKES: We have called tenders for approximately five miles from Gander to Gander Bay.

MR. COLLINS: Five miles from Gander to Gander Bay.

MR. STARKES: Right!

MR. COLLINS: Is this the Gander end or -

MR. STARKES: I think, the Gander end.

MR. COLLINS: The Gander end.

On Motion 08 to 16 carried.

MR. MURPHY: Is this the orchestra, the Fourth Agreement?

AN HON. MEMBER: No, no. no.

MR. CHAIRMAN: Shall 1712 - 03 carry?

MR. CROSBIE: 1712-03 is that the one on the South Coast or is that still under fisheries? You know the one that goes from Burgeo to Ramea, to Grey River?

MR. STARKES: The one under Fisheries here, is the one up at the top Bonne Bay. And the amount under 03 is for the Bonne Bay ferry and the cable car on the Northwest River.

On Motion 1712 carried.

MR. CHAIRMAN: Shall 1721?

MR. HICKEY: Mr. Chairman, I would like to make a few comments on this vote. I have discussed it with the minister, and I am wondering what the possibility is to have an amendment made to this item to have it increased. Realizing of course, as a member sitting on this side, I cannot do it. Sir, there is a great need for an increase in this vote. We have seen an amount of \$10,000 granted to the St. John's Trotting Park. I supported this particular item, because I felt that it was for a worthwhile cause.

MR. MURPHY: The Workmen's Compensation Act, what has that got to do with Workmen's Compensation?

MR. HICKEY: I am sorry, Mr. Chairman, 1731 I was thinking about.

MR. MURPHY: What does this actually mean -

MR. ROBERTS: They are not insurable under the Workmen's Compensation Act.

MR. MURPHY: Oh! I see.

MR. ROBERTS: Inaudible.

MR. MURPHY: In other words the contribution is not the same, as would be implied -

MR. JONES: We pay any claims that they make to us for anyone injured in the Department of Highways.

MR. ROBERTS: We do not pay premiums, but we pay the awards.

MR. MURPHY: Is there any reason why we do not do this? You do not believe in insurance in other words?

MR. ROBERTS: It is cheaper this way.

MR. SMALLWOOD: Like fire insurance - we carry our own fire insurance. It is cheaper.

MR. CHAIRMAN: Shall 1721 carry? Carried. Shall 1731 carry?

MR. HICKEY: Mr. Chairman, I guess I am right this time. As I pointed out, Sir, we approved an amount of \$10,000 for the St. John's Trotting Park.

MR. HICKEY: We increased the grant of the Federation of Fishermen, another worthwhile organization by \$10,000. Sir, there is an need for this item to be increased. It is not for me to say by what amount. Certainly we could start off by doubling it. But there is an need for much more even than that.

A suggestion have been put forward that one means of acquiring the necessary funds to do any kind of a reasonable job in this area would be to add twenty-five cents to each drivers license for the whole Province. I would like to point out, Sir, as a member of the Safety Council, there is some misunderstanding that the Safety Council is a St. John's organization. This is not so. It is a Newfoundland organization. A Provincial organization. There are at least two or three branches of it. But the argument could well be used, in terms of increasing this vote, that if we did, some other group in some other part of the Province, who have some kind of organization of this type, would automatically look for some funds. However, according to the constitution by which this organization operates, they are responsible and they have jurisdiction over all groups or committees or sub-committees of that organization throughout the Province.

Sir, I would just like to justify my request for an increase in this vote by just reminding the committee of some figures. For example, in 1969 there were ninety-four deaths on the highway. The nearest figure to that was fifty-one for drownings. The Canada Safety Council have published some rather startling figures, Fatal accidents, Newfoundland leads the list in 1969 with seventy-four, an increase of twenty-three point three percent in traffic deaths. Newfoundland again leads in 1969 with ninety-four or an increase of twenty-eight percent over the previous year.

MR. JONES: Mr. Chairman, the hon. member is saying Newfoundland led the list, in what respect?

MR. HICKEY: Lead all provinces. It led all of Canada, both in number and increase.

MR. MURPHY: What in fatal accidents?

MR. HICKEY: In fatal accidents, highway accidents.

MR. JONES: I think, that it is important to get this straight, Is my hon. friend, Mr. Chairman, saying that there were more people killed in Newfoundland, on the highway, than there were in Quebec or Ontario?

MR. HICKEY: Mr. Chairman, on a percentage increase.

MR. JONES: On a per capita bases?

MR. HICKEY: I will tell you now, Mr. Chairman, in a minute. Newfoundland leads all the Provinces in Canada in terms of percentage increase. Not in total number. But in percentage increase.

MR. JONES: I just wanted to have the point clarified, Mr. Chairman.

MR. HICKEY: In other words, Mr. Chairman, our Province is leading in terms of increases in fatalities, in fatal accidents, in traffic deaths, in reported traffic injuries. We lead all the other provinces with a ten point six increase, and reported property damage, we lead all other provinces with a ten point eight increase.

Mr. Chairman, I can inform the committee that there is a brief presently being presented by the Safety Council, to be passed on to the minister for his consideration. And certainly I do not think any hon. member in this House can oppose or object to an increase in this vote. I do not think, Sir, the facts are there, and they paint a pretty alarming picture of just how many people are dying on the highways and what a need there is for more to be done in the area of highway safety.

The Safety Council at the moment are doing everything they can, with limited resources, it has been unable to do what they want to do in the way of driver training, by way of visiting schools, and educating the younger people in terms of driving habits, and educating them to follow

MR. HICKEY: the rules of their highway.

I think, Sir, it would be a grave mistake on our part if we let this situation continue. And as sure as we pass this item without increasing it, we can say that we are doing nothing to help improve this very difficult situation under which those people are attempting to do a job.

I would suggest, Sir, that possibly the minister, who has been made aware of this situation, might have something to say on this matter. I would hope that someone on the other side would move that it be increased.

MR. CHAIRMAN: Shall the item carry?

MR. MURPHY: Mr. Chairman, just on that possibly, the College has made a plea on two occasions in this House - how closely does the Safety Council work with any Government department, the Department of Highways etc.? There is no doubt about it, the tragedies on our highways last year were really, really frightening. And I am just wondering how valuable is this Safety Council and how closely do they work with the Department of Highways, and are they really deserving, as the member points out? Unfortunately I am not a member of the Safety Council. But is there something like this needed perhaps to instill further in people the great need for careful driving and the tragedy and the slaughter that is happening on our highways? The hon. member tells us that our per capita rate of accidents, fatalities, and the percentage rate is the highest in Canada, I do not know. But he has got the statistics here. I just have an article here, "Newfoundland drivers, the worst in Canada," this is from Raymond O'Neill, Assistant Director of Workmen's Compensation Board, Safety Division. You know, is this really a fact? Have we gone into -

MR. JONES: Of course it is not a fact.

MR. MURPHY: It is not a fact.

MR. JONES: Of course it is not.

MR. MURPHY: You know when a public official makes a statement like this, anybody who is living in Quebec, could hardly think that Newfoundland is the worst, you know, it is better to put your car under your arm and walk along the side of the road, on the Quebec road. But you know, we get facts like this, and I am just wondering how valuable the Safety Council is. I am not saying they are not valuable. How closely do they work with Government, and what recognition do they get from Government Departments, particularly the Department of Highways? And I am not saying yes or no, my hon. colleague's plea might be the most valid thing in the world, perhaps they may need, I think it is \$7500?

MR. HICKEY: Inaudible.

MR. MURPHY: I do not know, perhaps another \$7500, or another \$10,000 might accomplish, even to save one life, It is very difficult to value lives in dollars and cents, but no doubt about it, it is something that has to be done on the Trans-Canada Highway. I have referred many times to that section between the Salmonier Line and St. John's and there is something wrong with the driving on that, and I feel it myself, and I do not know how many other people do. As a matter of fact, I would rather take the old road on busy days, to come up on the Salmonier Line, than to take that area from St. John's. And I am going to ask another question and that is these bright amber lights that are used by Golden Eagle - I wonder, Mr. Chairman, has anyone surveyed the conditions driving along on a real dark night, particularly, as you come out, and I think we have the one at Whitbourne there.

AN HON. MEMBER: And the one coming out the Logy Bay Road.

MR. MURPHY: And a couple of more, and they hit you just like that, and they sort of throw you off. I am just wondering, are these lights approved by any safety - it is frightening really with these real bright ones, and

MR. MURPHY: they are bright, and a lot of the angled lights that shine directly into your eyes. I am wondering if there could be some reflection down or up, rather than glare. Because with the traffic increasing, and I presume in the past four or five years our traffic on that Trans-Canada must have multiplied many times, and it is very, very difficult and everybody now is travelling at - nobody drives forty any more, you are not allowed, and sixty is accepted. And if you are going sixty someone behind you is blowing the horn, to get out of his way so that he can do seventy. The other fellow wants to do eighty and consequently everybody is in a heck of a rush to get somewhere, and they pass you and about 200 yards further on they may put their blinker on, and they are liable to turn into one of the Provincial Parks, after passing about five cars. Now you know basically this is what we are up against on our roads, whether education will do it, I do not know. The policing, one of the members on the other side last year brought up the fact, that he saw very few mounties on the road, the policing was not good. And I understand the next time he went to his district he got two tickets for speeding. So I am afraid to mention the policing on the Trans-Canada Highway, because Lord only knows when I might be going on it myself. But there is something, perhaps we are not used to this type of road over the past few years, when we get it we have got to go out and try it, and this type of thing. But to get back to this Safety Council, Mr. Chairman, and I am quite serious, I wonder how closely they work with the Department of Highways. Are these statistics actually true that we are the worst drivers in Canada, and our great toll on the highway? And there are one or two places, I cannot recall them now, where we have a double lane, a passing lane going up, and the centre line is a broken line - you are coming up, you can get out in this lane, the guy coming down is in a lane, and there is a broken line that he can pass. There are two particular places, and I am just trying to

MR. MURPHY: visualize them because I nearly got it last September. I was going along the Trans-Canada Highway and I was in the outer lane passing a truck going up, and the next thing two cars came down over the hill, there was a broken line, and one pulled out and here I was out in this slow lane here, you know, on a hill. There are three lanes, and there is a broken line in the centre of two of these, and I just do not recollect, just where they are. I do not know if the minister is aware of these. But there is an awful, awful chance that you take there, where you pull out, you know when you are in your passing lane you feel pretty smug anyhow, there is nothing going to come your way, you are just prepared to get out and pull in ahead of the other guy. So there are two places, I do not know if the Minister of Highways is aware of them or anyone in his department. But there are two places on - particularly on this eastern end where these two facts occur.

So, Mr. Chairman, on this vote I would just like to know, as I said, my hon. colleague has made a plea on two occasions for this safety organization, I am just wondering how valuable it is, and should the minister consider that perhaps with a few more dollars in their way, would they, perhaps working with highways, perhaps cut down the terrible, terrible tragedies that are happening on our highway.

MR. HICKEY: Mr. Chairman, I might just add another word for the hon. minister's speech. I would just like to point out, insofar as a couple of comments made by colleague the Leader of the Opposition, Safety Council works in close liaison with the Department of Highways, and I know the hon. minister will verify this, in as far as they can, in terms of the programs that they are involved in. Now one prime example is Safe Driving Week, and it has been proven that the number of accidents during Safe Driving Week have been lower than any other week of the year, according to the figures that have been passed on to me by this organization. And according to statements

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made by the officials of this organization. Another thing, Mr. Chairman, with regards to the statement that appeared in the press from the officials of Workmen's Compensation while my friend the hon. minister of Finance may disagree, I am sure this gentleman is probably quoting from the same piece of literature that I am, and those figures are accurate, taken from the figures which are provided by the Province to the Canada Safety Council.

MR. JONES: Mr. Chairman, I did not agree with any figures quoted by my hon. friend. I disagree with the hon. Leader of the Opposition when he quoted somebody as saying that Newfoundlanders were the worst drivers in Canada.

MR. HICKEY: Mr. Chairman, this is what I am saying. I am repeating what this gentleman said in as much as they are the worst drivers in Canada possibly myself included. Inasmuch as the figures prove it. We have the largest increase in fatalities, generally. In fatal accidents we have the largest increase and surely the traffic situation here cannot be compared in terms of the number of cars as they do in some of the other Provinces such as Ontario, Quebec and out in Western Canada. We have the highest increase again in traffic deaths. We have the highest increase in reported traffic injury. And again the highest increase on a percentage basis for the report of property damage. So, this gentleman, I feel obligated to come to his support. He is going on facts. And while we may not like to admit that we are the worst drivers in Canada this document -

MR. JONES: Mr. Chairman, I wonder did this gentleman have a drivers license?

MR. HICKEY: Has he got a drivers license? I do not know, I do not know Mr. Chairman whether he has or not. But I do not think this is something we can quarrel with. You know while we may not be happy with the situation or with the statement, I think we will have to go on the facts which are there. One other thing Sir, the Safety Council, the point raised by my colleague, want to work much closer with the department of Highways. They are unable to do so because they are unable to become involved in more programmes. There are two employees, they are only able to accomplish a certain amount and unless

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they are given more support to help get some additional programmes going they might as well fade out of existence. And Sir, it could almost be said that if we are going to let this vote stand as it is we might as well have wiped it out altogether. Because their efforts are hampered, they are frustrated in as much as they cannot improve, they cannot extend the services that they should be extending. And they cannot get to the parts of the Province that they want to get to.

MR. HICKMAN: Mr. Chairman, in other provinces, where you have the three lane, highway signs read "Keep Right to Pass," In this Province we have the reverse situation where it says: "Slow Traffic Keep Right." Of whatever it is, While I am on my feet, I came across this publication from the Minister of Cultural Affairs of Quebec. The hon. minister need not worry about making, building roads in Labrador. All of Labrador is shown in blue as being part of the Province of Quebec. That has not got much to do with the Safety Council but I would like to hear from - And while the minister is on his feet would he also please advise the committee if he is going to put in that retaining wall that was asked for in Epworth and if he is going to do some work on the road between Lawn and Fortune?

MR. CROSBIE: "Burin Post" please note.

MR. STARKES: Mr. Chairman, I would like to make a few comments. So many questions were asked I will probably skip some. Not intentionally. I think the hon. member put his finger on the problem of why we had such an increase in the traffic rates. He said the traffic on the Trans-Canada is multiplied, multiplied, multiplied many, many times. And if we only had a ten per cent increase in the amount of traffic then with the same safety factors and so on and so on we would expect at least a ten per cent increase in the accidents rate. That is why our accident rate is high, because we have more drivers and more cars and more trucks and this is to be understood. However, that is the situation there. It obviously is caused because of this. I tried to get figures on the Trans-Canada in Nova Scotia and so on. I was unable

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to get figures except for Saskatchewan and our accident rate on the Trans-Canada here compares favourably with Saskatchewan.

On the Safety Council Grant, the \$7500 that we give the Safety Council is not intended to fully subsidize the Safety Council of Newfoundland. It is a grant given to assist and the government does it to other good worthwhile associations such as the TB Association and so on. It is highly desirable, Mr. Chairman, to have a Safety Council but I feel that rather than they should be fully subsidized I think that our grant as \$7500 is reasonable and perhaps other departments of Government may see fit to chip in. However, we appreciate their effort and when the brief is received I can assure the hon. member who asked the question that we will give it every consideration.

Regarding the third lane. The hon. member for Burin should travel in other parts of Canada than where he has travelled. If you travel down from Moncton to Halifax for arguments sake you will see exactly the same signs that we have here in Newfoundland. On the Trans-Canada Highway where they have miles and miles of a third lane it is keep right except to pass. But on the other short third lanes it is standard across Canada to use slower traffic keep right.

MR. MURPHY Just one short question Mr. Chairman, and that is with reference now to the granting of licenses to operators of vehicles. And the question of compulsory public liability, is this practical, is it possible? I have heard of many instances where people have been in very serious accidents and the driver of the vehicle in most cases had no public liability. And some of these accidents can run to considerable expense. I was just wondering what the situation is because I feel today the great increase in the accidents that driving public, as such, not only the driving public perhaps pedestrians and so, property owners must have some protection. Is there a compulsory public liability in other provinces and how prevalent is it and what is the situation here in our Province?

MR. STARKES: Mr. Chairman, in some provinces they have compulsory insurance like public liability. We do not have it here but we do have it for the very

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young driver and the older driver.

MR.HICKEY: No, Mr. Chairman, it is not going to carry. Apparently we have lots of time. I must say, Sir, I am stuck for words to understand how we can let a vote like this go and say that it is sufficient when we can get very enthusiastic and excited about giving \$10,000 to the traffic problem. And I voted for that. And I make no apology for it. When we can increase the grant to the Federation of Fishermen by \$10,000 from \$20,000 to \$30,000. For anyone to just get up and say that \$7500 is enough after listening to those figures it is as good as legalizing slaughter on the highway. I can only term this irresponsible on the part of government.

MR.ROBERTS: Mr. Chairman, the hon. gentleman has a point and no one will dispute it. He mentioned that a brief was being prepared by the Safety Council, he may have noticed -

MR.HICKEY: Just got the answer to that.

MR.ROBERTS: No, he may have noticed some brief caucusing among those who are over here in the government and when we get the brief we are prepared to look at it. What my colleagues said, and we agree with them, is we do not propose to subsidize completely the Safety Council. I do not think the Safety Council would want it either. When we get a brief from them which apparently - I did not know it was in the course of preparation, but apparently the hon. gentleman says it is, so it is and it will be directed to my colleague the minister of Highways. We will look at it. And if there is a case for more money, the hon. gentleman feels it will be, then I think we are prepared to be quite sympathetic with him. Nobody would deny, Mr. Chairman, that, you know the problem of people being killed on our highways is a very serious one. If you have any doubt, all you have to do is go to the General Hospital any given weekend and I, as Minister of Health, end up paying a lot of the bills too, you know, and the hospital bills. But the point is, we are not, it is

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not we are just saying no but we are just saying at this stage we would like to see the brief.

MR. HICKEY: The committee, Mr. Chairman, is not being asked to fully subsidize the Safety Council. Such a request was never made. And if we increased this vote tonight to \$50,000 we will not be fully subsidizing the Safety Council. There is that much work to be done apparently, according to the figure and from anyone's point of view, who have any idea of highway safety and of various other forms of safety, that the organizations should be involved in it. that are not involved in it. We would not be going anywhere near full subsidizing. But what amazes me is that we can approve \$10,000 for another year without batting an eyelash. We apparently can increase one from twenty to thirty without any great deal of debate in this House, unless it was done behind closed doors. The hon. gentlemen that I talked to, as members of the Government, I did not hear any great opposition from them, including the Premier himself. But now the attitude seems to be that we do not think we should fully subsidize them. And that the grant of \$7500 is sufficient. Well, Mr. Chairman, I am not becoming emotional when I say that when there is some more deaths during the next year, and there will be and may be instead of ninety-four there might be two hundred. God Forbid! Or a hundred, or a hundred and fifty! I hope that we can sleep easy, I hope that we can all rest, and have a clear conscience. And we are asked to give a few extra dollars to a cause certainly that cannot be compared to an organization such as the Trotting Park or the Federation of Fishermen or indeed any other organization that we have that we are partly subsidizing or donated to. We are dealing with human lives, human beings, we are dealing with children on school buses, where we are not even scratching the surface. We are dealing with children coming out of school, crossing the street. What are we doing there? How can we say that we are fully subsidizing the Safety Council, even with \$7500 or if we were to increase it to \$20,000. The various service organizations in the city are assisting. They are providing the traffic patrols for the school children,

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in conjunction with this organization. So we need not hold ourselves up as the great benefactor of the Safety Council because we give them \$7500. Mr. Chairman it is a drop in the bucket. There are two people employed and this \$7500 scarcely provides the salary for those two people as well as a bit of stationery and possibly a desk or two. And yet the attitude seems to be that if we increase it we are going to be fully subsidizing Mr. Chairman, as far as I am concerned I would almost feel like going on for the next three hours, just for badness, because I could not believe this. I could not believe that the committee would take this attitude to a worthy cause such as this. But I have made my point, Sir, I have made my point in fact I have overdone it. I have repeated it two or three times. And if I cannot get through to hon. gentlemen on a matter of safety, in terms of saving lives, any more than I have, then all I can say is God Forbid!

MR. JONES: Mr. Chairman, I move that the block provision salary increases in few posts be raised from whatever it is, \$666,300 to \$890,000 and that taking into account the earlier amendment under 1711-06-01 a new total for the department of Highways will be \$41,475,500 and I so move. Carried:

that the
On motion, Committee rise, report progress Mr. Speaker resumed the Chair.

MR. NOEL: Mr. Speaker, the Committee of Supply considered the matter to them referred and have passed estimates of expenditures under the following headings: Heading 20: Community and Social Development. Heading Highways, both with some amendment, report progress and ask leave to sit again.

On motion the report received and adopted, committee ordered sit again on tomorrow.

MR. CURTIS: I move Mr. Speaker that the remaining Orders of the Day do stand deferred and that the House at its rising do adjourn until tomorrow Tuesday at 10.30 a.m. and that the House do now adjourn.

On motion the House stands adjourned until tomorrow Tuesday June 16, 1970 at 10.30 a.m.