



PROVINCE OF NEWFOUNDLAND AND LABRADOR

HOUSE OF ASSEMBLY

Volume 1

Number 100

4th. Session

34th. General Assembly

VERBATIM REPORT

MONDAY, JUNE 8, 1970

SPEAKER: THE HONOURABLE GEORGE W. CLARKE

The House met at 10:30 A.M.

Mr. Speaker in the Chair

PRESENTING PETITIONS:

MR. SMALLWOOD: Mr. Speaker, I beg leave on Your Honour's behalf to present a petition from some constituents in Your Honour's district of Carbonear. These are some 170 odd citizens of Carbonear and Freshwater and the Prayer of their Petition is as follows namely: that there be a continuation of the paving program which has so far brought the paved road through Carbonear to Crockers Cove where it now ends but that it should be continued beyond Crockers Cove down to, into and through Freshwater and out of Freshwater on the opposite end and so in a gentle curve to the Conception Bay Highway that goes down the North Shore of Conception Bay. This would mean that if you drove from St. John's to say Western Bay or Northern Bay you would go down the Conception Bay Highway and if you diverted at Carbonear instead of going on straight down that road you went through Freshwater you would go over a paved road all of the distance back onto the main highway again. It is a distance of 1.7, one and three-quarter miles, and there is not any doubt in the wide world that it would be an immense improvement to the people there and there is no doubt that Freshwater is one of the most ancient places we have on the Island of Newfoundland. It is one of the original settlements, one of the dozen or fifteen original settlements that were founded in Newfoundland four hundred years and more than four hundred years ago. They are splendid people and I have great pleasure in Your Honour's behalf in presenting this petition with my support and I beg that it be laid on the table and referred to the Department to which it relates.

MR. MURPHY: Mr. Speaker, I would like to support the Prayer of the Petition and seeing it is in the Speaker's district, of course, the Speaker has to be sort of in a neutral position at this time I feel that I would like to add my support. Anybody who has driven down through Carbonear and right through, I think we have paved road as far as Western Bay as far as I know, and the joining up of this - Well, anyhow there are a few places there but that drive, I think, right through to Bay de Verde and all that area and this 1.7 miles to which the Premier refers I am sure would be a wonderful benefit and a pleasure for these people and there

MR. MURPHY:

are a great many people who use this road. So I have very much pleasure, Mr. Speaker, in supporting the Prayer of the Petition.

On motion Petition received.

ORDERS OF THE DAY:

MR. SAUNDERS: Mr. Speaker, on Orders of the Day. As the Minister of Fisheries is not in his seat I can direct a question to the hon. the Premier. Has he received any communications from the fisherman of the area from Cape Bonavista to Baccalieu because over the weekend there was a terrible destruction down there by foreign draggers? I think it is just about time now, Sir, that someone must send a gunboat down there as the fishermen in that area were practically ruined over the weekend. There were thirty foreign draggers in there with their factory ship and all, Sir, so I think it is about time to put--

AN HON. MEMBER: Thirty.

MR. SAUNDERS: Yes, thirty foreign draggers with factory ship and all. The fish has struck in, plenty of fish and they followed the fish in and they are in there within the three mile limit. One of our fishermen down there, Sir, within the three mile limit lost every bit of his gear. So I think it is about time now for the gunboat.

MR. MURPHY: Mr. Speaker, before you call Orders of the Day, the Minister of Finance is not in his chair and I think it comes under his responsibility. I have had some inquiries, but I do not know how important it is at this time, with reference to the control for the closing of licenced premises on election day, Thursday. Has there been any ruling made whether it be only in St. John's East or does it apply to the whole area? I have had several inquiries on it and I am just wondering what attitude is being taken because usually with an election all licenced premises are closed but here we have a small area within a larger area and I am just wondering if there is any decision being made on this at the present moment?

MR. SMALLWOOD: I will have to take that as notice because I frankly do not know the answer. I do not know if it is laid down in the statute or in the regulations made under the statute whether the Liquor Commission have the authority to bury it. I do not know but I will have to look into it and perhaps before the day is

MR. SMALLWOOD:

over I can have an answer. Perhaps my colleague, the Minister of Justice, would look it up for me.

COMMITTEE OF SUPPLY:

MR. NEARY: I think, Mr. Chairman, we are on 1131(03)(01), Short Term Assistance. If I may have your permission, Mr. Chairman, I promised the hon. member for Bonavista North that I would get an answer to a question that he ask me on Friday concerning trusteeship at the Hoyles Home. There are 264 accounts - eighty-six of which are in the hands of a trustee, or trustee cases. The total amount is \$76,332.09 and that is as of the 30th of April. The largest amount of these accounts is \$750.00 and the officers handling the cash, which is usually a welfare officer in the Institution, are not bonded. This question, Mr. Chairman, has never really arisen but it is something that we might take a good hard look at.

I also promised the hon. Leader of the Opposition, Mr. Chairman, that I would get an example of short-term assistance and long-term assistance and I have based this on a family of five persons, two adults and three children, and I have a copy that I could let the Leader of the Opposition have and probably the chief of the Reform group. I could read it out, Mr. Chairman, for the benefit of the members of the Committee. Long-term assistance for a family of five persons, two adults and three children. Food - first adult \$35.00, additional adult \$30.00, three children at \$20.00 each, \$60.00, for a total food allowance of \$125.00; clothing and personal care - first adult \$15.00, additional adult \$10.00, three children at \$5.00 each, \$15.00, for a total clothing allowance of \$40.00; fuel \$15.00; household maintenance and utility \$25.00 for a total basic long-term assistance would be \$205.00. If there was rent needed in the urban area it is \$50.00 and rural area it is \$25.00 and the note at the bottom says, "Additional assistance for rent up to a maximum of \$50.00 per month maybe approved by the Minister."

Short-term rates for the same family of five persons. Food - two adults at \$25.00 each, \$50.00, three children at \$15.00 each, \$45.00, for a total food allowance short-term \$95.00; fuel - June to September a quarter ton of coal or thirty-eight gallons of oil, October, November, April and May a half ton of

MR. NEARY:

coal or seventy-five gallons of oil, December to March three-quarters of a ton of coal or 113 gallons of oil; clothing - considered only if needed to enable children or adults to attend school or to take employment or to replace clothing destroyed by disaster or for other reasons approved by the supervisor. The amount issued depends upon the circumstances but in no case should it exceed the rates of long-term assistance. Generally clothing is provided for a period not exceeding three months with the maximum monthly rates at \$10.00 for each adult and \$5.00 for each child. The rent is the same, Mr. Chairman, in urban areas \$50.00, rural areas \$25.00. If additional assistance is required for rent then the Minister is authorized to approve another \$50.00.

MR. MURPHY: Now, Mr. Chairman, I would like to thank the Minister very sincerely because this is a matter that could in discussion perhaps reflect biased opinions one way or the other as to whether we should look after welfare. I think everybody in this hon. House, in the Committee and everybody in the country, I think, must really feel the tragedy of so much unemployment and I would like at this time to congratulate the hon. Minister. I think he has a very sympathetic outlook on this thing and I think you have to be very understanding and very sympathetic to deal with this Department generally.

But we have reached the stage, unfortunately due to no fault of the Minister or perhaps of anybody in this hon. House whether it be Government or otherwise, where we are now at a stage, and I am just taking these figures here where we read and I will just use the figures I have for long-term and possibly short-term might be a little bit less but I think generally I am trying to base my comparison on the figures submitted. Now I have made up here counting rent and I average rent at \$75.00 although it is \$50.00 here and the hon. Minister says that in certain cases we can go to \$100.00 so I based it at \$75.00 which I think would be realistic and I get a total allowance for a family of five of \$3360.00 a year -long-term. If they have children and all I am trying to do at this time, Mr. Chairman, is to compare our welfare recipients with perhaps some of the people that are in the labouring field and due to no fault of their own they are the ones that are strapped and circumscribed, if you like, by conditions over which they have no control and perhaps none of us have any control but it

MR. MURPHY:

is a problem we must face at this particular time.

Now when I look at this and as I say I have come up with \$3360.00 a year for this long-term with three children and I think of children attending school where anybody is working is obliged to pay \$10.00 a month in most cases and I am just again averaging, \$10.00 monthly assessment to the school boards and this is whether you have one, two, three, five, seven, eight, nine or ten children, I believe, and that would give you another \$100.00 a year which would make a total of anybody on welfare, actually their total allowance, and (they do not have to pay it I do not think, I think the boards are charitable enough to feel that) \$3460.00 a year would be a total. In addition to this there are free drugs which are not in this thing and what the average would be I would not even hazard to guess and I do not think anybody could. You might over a long series of statistics break it down but I am comparing this, Mr. Chairman, with the civil service salary scales that I have here before me now on page (92) and I am coming down now to the manuals, I am not talking about the officers but the manuals.

Now we have arrived at \$3460. per year plus the cost of drugs which I do not know what the cost would be and it is very difficult to average it but we will say \$40.00 anyhow and that would be \$3500. a year. I noticed here what we are paying the people in this building, and I am talking about manuals which I presume is the ordinary maintenance man and this type of person, and grade (4) which is the medium grade here I would say, his salary is \$3500. a year. Now that is not based on whether he has one, two or three children as he might have five, six, seven or eight children. So it is very difficult to access on the number of children, possibly some of them, and if we were using the welfare rates some man in this building might have six, seven or eight children and we would have to allow him extra money for clothing and so on and so forth which would be basically basing it on how we have established our welfare rates.

Again I must repeat that I am not by any means insinuating that we are paying too much for people to exist on. I think if they are getting the bare existence that is about it on welfare but I am just trying to bring out the fact of, facing the actual facts of life, where we are trying to be very, very

MR. MURPHY:

sympathetic towards these unfortunate people who are obliged to come to Government for assistance and people that we have in our own employ and when I say our own employ I mean the Government of Newfoundland. On page (92), I think, it is readily apparent that a messenger and I am just taking this because it actually comes to about the same amount that we are paying on welfare and this manual, grade (4) is \$3500. with increments of \$100. up to \$3900. a year.

So the need of putting things in their proper perspective is very, very important when we talk of welfare and when we talk of minimum wages and when we talk of living wages and social justice. Now as I say the grade (4) he might be a single man, alright he is pretty well away, but he might still be a man with five, six, seven, eight children. So, Mr. Chairman, I think it is time for us, and the Government are, I am not disputing the fact, in the process now of reviewing, revising and perhaps updating the whole cycle of civil service. Here I think back to three or four years and perhaps it was a novelty when the former Leader of the Opposition, Mr. Ottenheimer, suggested at that time, and I am glad to see now that it is being carried out or perhaps it was the idea of Government, we are not trying to claim any credit, but I think it was a darn good idea no matter whose idea it was of doing away with the term welfare and now we have Social Services and Rehabilitation. I think it is an excellent idea particularly with the emphasis on Rehabilitation.

Now, Mr. Chairman, perhaps it might be of some interest to the Committee where I would read an extract, if it is permissible, from the latest edition of the Toronto Globe and Mail, June 5th, 1970, dealing with this same subject. "In an attempt to make its budget stretch over the year Metro Social Services Committee has asked employable welfare recipients to work part-time, to pay for their own drugs, glasses and dentures, these are a kind of fringe benefits and I do not know if we go as far as that with dentures but I think drugs are included, perhaps glasses are not. Mounting unemployment is responsible for rising expenditures by the Department." Now this is in the great city of Toronto that we hear that all Newfoundlanders go to seek employment. "Mounting unemployment is responsible for rising expenditures by the Department," and at the end of April Metro was supporting 23,208 persons in the unemployable category.

MR. MURPHY:

This is, I presume, the long-term assistance where people are sick, disable, perhaps widows and so on and so forth. I presume this is what we would call long-term, the unemployable, people in other words that are not available for employment at any type of work. 17,086 persons, and this is an increase of 5,000 from a year ago, in the employable category. These are people who perhaps lost their jobs or what we call short-term assistance.

Until June 1st all welfare recipients get a card with their welfare cheques which allows them to get free drugs. When the June cheques were distributed ^{they} were sent only to unemployables, in other words they were withdrawn from those who were available for employment. Last night Metro Social Service Commissioner, John Anderson, said he realized that the employment situation was bad but there are at least one dozen jobs in the want columns for anyone to work by the day. He said that men could earn about \$10.00 a day in a car wash and might even earn that much cutting grass, mowing lawns, in other words, if a man can earn \$10.00 a day for just five days of the month he would have \$50.00 and then it goes on to say, "Do you not think he should buy aspirins for his wife or cough syrup out of that?"

Earlier this year Metro adopted Mr. Anderson's recommendation which allowed welfare recipients, and this is very, very important on the point that I asked the Minister there a few weeks ago, allowed welfare recipients to retain part of their money they earn on part-time jobs. In other words not because they earn \$40.00 or \$50.00 that immediately the Welfare Department would cut that from their \$70.00 or \$80.00. In other words they would give them a chance perhaps to get a little few of the little things around them that the ordinary human being requires to make himself a bit more comfortable because we felt we should be encouraging people to work part-time where possible.

Now I think this is the very, very core of this and I know the hon. Minister agrees with me because in his book this is what he is trying to get across to people. If there is anything to be done get out and get that whether it is five dollars you can earn or six or seven or eight and we will not do anything to prejudice your receiving enough to bring up your family. A man who heads a family of four and who receives \$320.00 in welfare is allowed to

MR. MURPHY:

retain \$70.00 if he earns \$100.00 from casual work. In other words if a man goes out and earns \$100.00 a month the Government says, "Alright you can retain \$70.00 of that and in other words then we will cut you down \$30.00 from your \$320.00 which would give you \$290.00."

It is to be run under the honour system, in other words a man does get work when he visits his welfare officer and says, "Look I earned \$20.00, \$30.00, \$40.00 last month." After a person declares his earnings the amount he is not allowed to retain will be deducted from the following months cheque. So he earns this month and next month you say to him or the Minister or the Department says, "Now look you earned \$100.00, alright \$70.00 is your own but the other \$30.00 will be deducted next month from your cheque." Since the system has just

MR. MURPHY: started Metro does not know how much it is worth. In other words, as an experiment they are going to try it, but with the basic thing in mind, not to have the welfare recipients, if he is able to work, just sit home and wait for his cheque. In other words, if you can get a job, go out and get it and we will not deduct it totally from your assistance.

Mr. Anderson said; the system helps welfare recipients because they can earn a bit of money and be better off. In other words, as I say again; they do not prejudice their case with the Government.

Metro will care for those who have emergency needs, or those who need expensive drugs, in other words, if they are on a long term drug, you know this is not deducted, they will still get these.

The Commissioner said his office would also move anyone from the employable to the unemployable category, even if they have a cold. If a man is sick then he is unemployed. In other words, a man might be sick, have the flu or something else, well you do not again prejudice his case because he is not working, although he was not employed.

Now, Mr. Chairman, I believe, basically this is what we are aiming for, when I say "we", the Department of Welfare everybody and I am not saying that I am now suggesting this, because we have gone over this, year after year. The Premier has stated on many occasions that he has gone to Ottawa, and says, "in Heaven's name, look we are wasting \$40 million a year. There are so many things to be done here in this Province, can we not use this money in a productive sense?"

And I say this has been gone over for years and years. But it is still the big problem that we must face. In this Province, particularly, we are, due to locations, so on and so forth. were there are so many, as I read here Toronto is quite alarmed because there were 30,000 persons on welfare. I do not know how that compares with ours, perhaps the minister might give us the total number that are receiving assistance in our categories. But, I believe, in fairness, with the Province, with our potential, we have far more than that to try to bring along.

MR. MURPHY: Mr. Chairman, on this, and I know every member gets it. Not only I but every member of this hon. House is getting dozens upon dozens upon dozens of requests for some type of jobs. They have been to Manpower, they have been to Manpower, will you phone so and so, will you write so and so, this is a chore that we all go through, and gladly if we thought we could get anything from it.

Now, Mr. Chairman, I feel that this should become a very vital part of our welfare or our Social Services and Rehabilitation system, that is some type of employment agency within that department and perhaps any other department of Government that realize - and a few weeks ago I made a statement with regard to Come-by-Chance. It was stated that the people of Placentia area, who have been recently laid off due to - would get first preference, this was an intimation that we got.

Now I have nothing against the people of Placentia, any more than any other - but how many men, God help us in this Province, have been going from month to month, for months and months, just beating their brains out trying to get a job? I maintain, Mr. Chairman, that the Department of Welfare has a list, I know they must have a list because they are paying - they must have a list of people who for many months, many, many months, and everyone of us have it, even here in the heart of the city of St. John's we got these people, and you will find some of them are in their forties, or a bit older, and I can think of so many that were suddenly, with this waterfront development, thrown on the street, men who have worked hard all of their lives. And these are only some. And you have a lot of younger men that just cannot find jobs. And I am just thinking now that if the department carrying on its work, which is started, and I am right behind it, this rehabilitation and anything that the department is doing, and anything that I can do in anyway to work along, I will guarantee the minister or anybody else, as we all will, I am not just doing this to be a hero, but I think we all will to help him out on it. But I believe there should be a catalogue of these people, a general history, just what type of work they can do. There are people suitable for work, but not heavy work.

MR. MURPHY: There last week, I had a case and I went to the hon. the Minister for Labour, he was very sympathetic and he took all the particulars. Where a man had been working here in the City of St. John's for twenty-five years, driving a truck, and he injured his back in 1968. He was on Workmen's Compensation, doing fairly well, he was earning an average of \$85 or \$90 a week in his own area. He has five children, one of these is at University. A few months ago Workmen's Compensation says, we can no longer continue paying you. You are now fit for work, but you cannot do heavy work. You must do light work. And he is getting an allowance now of \$45.00 a week. Now there is a man, and I know every body has this type, you know, that are not any longer the responsibility of Workmen's Compensation. They can work, but it has got to be light work. Everybody knows that it is very difficult to get any kind of light work, which would be janitorial work perhaps, or commissioner work or something like this. This is the only type of work he is fit for. But there is a man, I say, has worked all of his life, after twenty-five years he is just put on the street because he is no good to the firm he worked with. As a matter of fact, it was City Council, cannot longer employ him in that job, because he cannot do the job. And they have no light work jobs for him. But the hon. the Minister of Labour is working along with me to try and see what we can do with him. But this is one of the examples of people who are caught in the middle wanting to work and just not able to do or take the job he is used to, but perhaps some lighter work or different type of work.

So, Mr. Chairman, on these few words, and realizing that we are not the only ones faced with this problem, as I said the great city of Toronto is suppose to be the fountain of wealth, and anybody who goes there just steps off the plane or off the train and somebody is waiting to put you in a job. they are facing the position now, But we cannot afford, as far as these people are concerned to say, "look, we will have a Come-by-Chance, or we will have something else." Wonderful thing, if we can get it, but I do not think we can any longer wait to say that these will accommodate these people. We have got to get down - I mentioned a few weeks ago about so many people crying for help, the house^{wife,} good, matured women who could go in and

MR. MURPHY: keep house and they are getting very well looked after today, and there are so many people, who are looking for people to do odd jobs around the house, a bit of mowing lawns and things like this. But the barrier has been I think, that a chap would not risk losing his welfare assistance because he is earning \$10 or \$12 a week.

So, Mr. Chairman, I would just say on this, that I sympathize greatly with the minister, and I sympathize very greatly too, very much, with those who are forced to accept welfare. And the comparison, and I have had them to come in and say, I would rather quit work than work for what I am getting, when I can get more on welfare assistance. And the comparison in the welfare payments, and the hon. the member for Bonavista North, I think, was the one who brought it up, the very low amounts that we are getting. And I agree with him. But when we check again, that some of these wages here, that we see in our own Civil Service, and this applies to not only here but in many other areas where we have grades of workers in the building getting less than they would be on this assistance, you know. I think, we have to say that we have got a terrific problem on our hands.

So, Mr. Chairman, as I say, I feel that the Department of Welfare, having changed its name to Social Services and Rehabilitation, has to take a long hard look at those on their welfare roles, and anybody that has been off or on welfare, or out of employment for any great length of time, I think, should be the first to try and get these people employment.

Now we talk about the great Churchill Falls. I do not know how anybody gets a job at Churchill Falls. I do not know of any member in this House has yet procured a job for anyone in Churchill Falls. I am sure I have eighty or a hundred that have come to me, they have been to this one and that one, and someone else, and they will tell me, that unless someone sends for him in Churchill Falls, in other words, if you got a buddy working there, and he gives his name to someone, he can get a job.

MR. SMALLWOOD: Canada Manpower.

MR. MURPHY: Canada Manpower. I know, Mr. Premier, but they tell me, you know, as far as going to Canada Manpower, and I am not criticizing Canada

MR. MURPHY: Manpower, I am not criticizing the individual in it, but they tell me it is just as good to go over to the Arts and Culture Centre, as far as Churchill Falls is concerned. I would like someone at sometime, I do not know, if the Minister of Labrador Affairs can tell us, what happens down there. (The hon. the member for Labrador West is not in his seat). But how in Heaven's name do we get a man into Churchill Falls?

MR. HICKEY: Write Churchill Falls office.

MR. MURPHY: Write Churchill Falls office, where is it?

MR. HICKEY: In the Crosbie Building.

MR. MURPHY: I have send more people there, it is just as well to go into Geoff Carnell's next door.

MR. HICKEY: Give me any names you have, and I will see what I can do for you.

MR. MURPHY: But it is an actual fact. It is an actual fact. And I wonder how close Government is to this Churchill Falls employment. The Minister of Welfare, as I say, must have many hundreds of employable men. Does he in anyway have communication with the employers at Churchill Falls or any other development that is on the go?

But I would like to know the formula?

MR. SMALLWOOD: Would the hon. gentleman like to have the latest information?

MR. MURPHY: I would, when I am finished. I am only looking for information.

MR. SMALLWOOD: Inaudible.

MR. MURPHY: I am just about finished, Sir, I only speak for ten minutes, I am not like some people, I do not want to take up all the time of the House. But that is what it basically is, Mr. Chairman, I would suggest that the Department of Welfare immediately now get into it, when I mean get into it, get into it. It is all right to say that I am checking so and so out, there are people there, I know the hon. the minister must think they work with the department, perhaps they are long termed civil servants, because they are coming back and forth so often. I do not know, but he should put them on pension, not talk about giving them a welfare order. But, basically that is it, Sir, and I feel that with this new trend for rehabilitation, and you know you cannot rehabilitate anybody by having them curling or watching hockey games, I think the way to rehabilitate them is to try to get them a job

MR. MURPHY: somewhere whether it is menial or major or whatever type job it is. And I would suggest that we need a mini-employment agency within the Department of Welfare who have their fingers on every person who is unemployed and needs assistance. So, Mr. Chairman, that is all, and I would like to know about Churchill Falls.

MR. SMALLWOOD: Mr. Chairman, as of May 27th. the number of Newfoundlanders working at Churchill Falls were as follows: Manual -2,858, 75.1 percent of all manual workers on May 27th. were Newfoundlanders, of a total of 3,802. The others consisted of 936 from Quebec, and eight others, making a total manual of 3,802. The non-manual were numbered 1447. This would be the top administrative supervising and engineering personnel of the project managers Acres Bechtel, they are top administrative supervising and engineering personnel, and the top personnel of the contractors, the contracting firms, the total 1447 of whom 495 are Newfoundlanders or 34.2 percent.

Now when they are all put together, the manual and the non-manual everything at Churchill Falls, everything but everything we find that sixty-four percent are Newfoundlanders.

1447 non-manual, 495 of them are Newfoundlanders, that is the top supervisory engineering administrative personnel at Churchill Falls - 1447 of whom about 500 or one-third, it is a little over a third, 34.2 percent are Newfoundlanders. It is too low, I think, it could somehow be, but this will interest the committee, namely: the fact that since May 20th. this is as of May 27th. but after May 20th., 196 persons were hired in Newfoundland, this is up to June 8th., I am talking about now. As of today, up until now since May 20th. 196 have been hired in Newfoundland and in addition to the 196 that were hired, there were eighty-one they could not hire, and did not, and did hire them outside the Province. They said they could not, therefore they did not- because they could not and they did not. And the reason they could not was that they did not find those persons to fill the particular jobs, they did not have the qualifications. They did hire 196, and they failed to hire eighty-one, but they did hire the eighty-one outside the Province. I get this table delivered to me, I think, at least once a month, or once a fortnight, I

MR. SMALLWOOD: do not remember, I think sometimes it is once a fortnight, and sometimes it is once a month in the dead of winter when things are slow, they give it to me monthly, and I keep a sharp eye on it. We do not fall below sixty percent, it runs between sixty and sixty-five percent of every job on the project, manual and non-manual, the number of Newfoundlanders runs from sixty to sixty-five percent.

I am not happy with that percentage, I do not understand why there would be 936 manual workers from Quebec. Frankly, I do not see why 1000, virtually 1000 - 936 anyway manual workers should be in there from Quebec. I do not understand it. I do not get it. I mean, you know, they are not to be got in Newfoundland. It seems to me they can, unless now, and by manual they mean, and I am sure they do, heavy equipment operators, skilled operators of heavy and expensive machinery for which they demand men, not just with the knowledge, but with the experience to operate, and of course, Mr. Chairman, when you have spare men, when you have two men looking for one job, the man, the employer, he could be very, very particular. If you have two jobs for one man, then the employers takes what men he can get. Today you have a surplus of men all across Canada, and especially Newfoundland, and the contractors with heavy equipment and expensive equipment, perhaps from their purely selfish point of view are not to be blamed, if they insist on getting men of top experience, and therefore lay down as a minimum; you have got to have five years experience. And we thus get men trained at great expense, Federal expense mostly, in the upgrading schools, at Port aux Port Bell Island, Carbonear, Happy Valley, being turned down because they have not had the five years experience. And yet, you cannot blame the contractors insisting on five years experience, if they can get men with five years experience. As long as they can continue getting them, they are going to get them, and so would any hon. member of this House, if he were the contractor. If he had expensive machinery, he would want thoroughly experience men operating that machinery, and not men who just sort of come out of an upgrading school,

So, therefore, we have 936 men from Quebec working down in

MR. SMALLWOOD: Churchill Falls right now, 936 manual workers. Now these are not labourers, these are not pick and shovel men, Manual means if you are not an engineer, if you are not a top administrative or supervising or engineering person, then you are manual. If you are an accountant, a cost accountant, if you are electrical engineer, or a mechanical engineer, or civil engineer, or any kind of an engineer, if you are in a top supervisory job, a top administrative job, then you are non-manual and anything else I take it would be manual. Manual therefore would include the most skilled operators of all kinds, and we are not too plentifully supplied with them. But notwithstanding the fact that we are not too plentifully supplied with them, I find it difficult to understand why, right now today, well as of May 27th. there should now be the best part of a 1000 manual workers in there from Quebec and eight other persons from elsewhere.

HON. F.W. ROWE: Mr. Chairman, without delaying the committee too long, I think the Premier is entirely correct in assuming that one of the things working against our Newfoundlanders is this five year requirement.

AN HON. MEMBER: Sometimes it is three years.

MR. ROWE, F.W. Sometimes it is three years, sometimes five, it is finally increasing, it is five years, with most

Mr. Rowe (F.W.):

of the people from my district have come to me looking for jobs at Churchill and saying that they have not been able to get them, almost invariably, they are demanding five years, and I have been only two years or three years or even four years or even one year whatever the case may be. This seems to me, Mr. Chairman, to be something that more leniency, more latitude should be given by the Churchill Falls' companies or the contractors working down there, because we in Newfoundland, as the Premier has just indicated, we do have hundreds of men available for some of these jobs but who do not have the five years or even three years for the very simple fact, that it is only this last three or four years that we have turned out large numbers of trained personnel. We always had a few but only a handful relatively; whereas today we are turning them out in large numbers, but still they do not have the experience. I must say that it is very frustrating to me to have some fellow who has been two years out of Stephenville, the upgrading centre there, heavy equipment training there, come to me and say, look, I have my course. I did well and so and so on, but I cannot get down to Churchill Falls. I cannot get a job there.

There is one other point, Mr. Chairman. I think in fairness to the Department of Welfare, I should say this, because I happen to have first hand knowledge of it. The Leader of the Opposition said that a welfare officer or the Department of Welfare should be - I think he used the word, "a mini employment agency." Now, to my knowledge the majority of welfare officers or welfare centres in Newfoundland are really that, to some degree. I can certainly speak from my own district. The welfare centre at Grand Falls there, Mr. Budgell the supervisor and his men under him there, they certainly know when jobs are available. Over and over again, I know that people have come to them looking for assistance and they said, "well look, Price need men somewhere," (if he is a logger). "Price need men in that camp or

Mr. Rowe (F.W.);

there is some work available with Goodyear construction or with Lincoln constructbn. They are looking for truckers. They are looking for this and that,^A I think that this is repeated all over Newfoundland - some probably not so much as others, but I do think that most of the welfare officers in Newfoundland are on the alert - they are on ^{the} quayvee all the time with regard to getting employment for men. They know it. They are in touch with Manpower, and they are in touch with the contractors. I can certainly say this; in Grand Falls, which serves Central Newfoundland - that welfare office there serves Central Newfoundland. They are in touch with all the leading employers all the time including, of course, Manpower and if there is any job available anywhere up on Red Indian Lake or out on the Point Leamington Road, they know it, and they are on the alert to see to it that people who are available for work do go to work and do not get relief, when they should be at work.

MR. CROSBIE: I will not apologize for delaying the committee, the last speaker did, because I do not agree with that whole concept anyway. This committee is supposed to consider the estimates and if anybody has anything pertinent to say this is the time that it should be said and it is not delaying the committee. That is the committee's job to consider the estimates. As far as Churchill Falls is concerned, I presume, we can discuss that whole situation, when we get to Labrador Affairs. That is the most suitable place. I just have a couple of points in connection with the welfare estimates, generally. Would the minister tell the House - I remember two years ago the Government decided to take on about twenty or twenty-five additional welfare officers, because there were a lot of complaints at that time that there were a lot of abuses, of people receiving short-term assistance who should not be, and there were about twenty to twenty-five positions created. Could the minister tell us whether they were taken on and as a result, were there more violations discovered or how the thing is proceeding now? Is this cut out? Certainly, there has not been many complaints lately in the last year or so of abuses. Could the minister tell us about that?

Mr. Crosbie.

Secondly, I notice that disabled persons' allowances, this year, are \$50,000. There is probably some easy explanation, but in the public accounts for the end of March, 1969, disabled persons received \$938,000. Now there is probably some change. They come in under some category or some different category, but what is the reason for that - \$938,000 in 1969 and in these estimates, only \$50,000 for disabled persons.

Another point, Mr. Chairman, which I would like the minister to clarify and that is; does the department now pay the water and sewer rates in municipalities where there are people receiving welfare assistance and they are unable - I remember, some arrangement was made about two years ago that this should be done. Is that still being done? Because the municipalities, in question, could not afford the loss of revenue and I think the Welfare Department now makes these utility payments for them. The minister might confirm that.

The final point I am interested in, Mr. Chairman, is the business of purchasing of houses. In answer to several questions, the minister said that from April 1, 1965 to March 31, 1968 - 153 houses were purchased by the Government in this Province for the use of people receiving assistance from the Government and that the cost was \$190,000. The cheapest one was \$300 and the most expensive \$4000 - \$4,500. Forty-three of these were in the name of the Government, the minister and one hundred and ten were given to the occupants. The title to these homes was placed in the name of the occupant receiving welfare assistance. From April 1, 1968 to September 25, 1969, there were sixty-three more houses purchased at a cost of \$32,000 and a low of \$400 and a high of \$3,500. Thirty-three had title in the minister and thirty had title in the name of the occupants. This is now taken over by the Newfoundland and Labrador Housing Corporation. Would the minister confirm that from now on - I think this is now the case - if the Government is going to buy properties around the Province, the ownership is going to remain in the Government. I consider it to be extraordinary that any of these properties were ever - that the ownership of them was ever

Mr. Crosbie.

given to the people receiving welfare assistance is most peculiar.

I do not know why it was done but it certainly should not be done any longer. I understand now that the idea is for the Newfoundland and Labrador Housing Corporation to own the properties and rental of the Department of Welfare. The Department of Welfare will get fifty per cent of the rent back from the Government of Canada under the Social Assistance Plan and that they will all be owned and operated by the Newfoundland and Labrador Housing Corporation. Would the minister confirm it that this is now the case? He might just say. I would be interested to know why title of these properties were ever put in the names of the occupants? Why that ever occurred would be interesting to know, why that was ever the situation?

There was one other story I was told. The minister might tell whether it is right or not. That the Department of Welfare is guaranteeing supplies for fishermen who go to Labrador to fish this summer. Is there any truth to that? The story has it that the Department of Welfare will pay off the suppliers of the fishermen in a certain amount per month, or will guarantee supplies for fishermen who are going to Labrador to fish this summer. Is there any truth to that or not?

MR. NEARY: Mr. Chairman, the hon. members who have spoken on this heading so far raised some very interesting questions. First of all, I would like to answer a question that was raised by the Leader of the Opposition. He wanted to know how many heads of families were presently on short-term assistance and how many on long-term assistance? The latest figures I have, Mr. Chairman, are up to the end of April. As good as the computer is, it apparently cannot give us the information as fast as we would like to have it. As of the end of April, 1970, there were 6,698 heads of families on short-term assistance and 15,221 heads of families on long-term assistance.

MR. CROSBIE: That is 15,000 is it?

MR. NEARY: Yes, 15,221 on long-term. I think, although I appreciate the remarks made by the Leader of the Opposition, Mr. Chairman, but really in our minds, we should be thinking about two distinct separate groups of people. Those who are on long-term assistance have been, as they say in Newfoundland, turned down by the doctor. They are unfit for work. They have one foot in the grave. They are not employable as the hon. member for Bonavista North knows. These people - you cannot relate their income in anyway to those who are employed. They are unfit for work, period.

Recently we redefined the allowable income for that type of person, and I would like to read for the benefit of the committee, Mr. Chairman what is now an allowable income for people on long-term assistance, that is heads of households on long-term assistance who are considered to be unemployable. We can only take the doctors word that they are unemployable, because he has certified them as being unfit for work. These people, Mr. Chairman, will be allowed salary and wages from part-time employment of the applicant and his spouse and other casual earnings of such persons from any source including, without prejudice to the foregoing, from berry picking, dress making, mending and sewing, laundrying, domestic work, handicrafts, small scale farming, home baking, small game hunting, selling newspapers, repairing fishing equipment, mowing lawns, washing windows, restoring storm windows baby sitting, hairdressing, cobbling and so on.

Now, Mr. Chairman, up to the time that we redefined allowable income, we discovered that some of those on long-term assistance - who, remember now, who had been certified as unfit for work of any kind by the doctor - were moonlighting and through no fault of their own because they thought that they were allowed to earn up to \$90 a month.

I think the hon. member for St. John's East (Extern), I think, knows what I am talking about. So, what they were doing in actual fact, Mr. Chairman, some of them were working, actually, in fish plants. In fish

Mr. Neary.

plants standing side by side with a person who was considered to be employable. They were competing in the labour market. They were standing side by side with these people. They would earn their \$90 a month and then they would quit, and then they would come back the next month and stand side by side with workers in fish plants, earn another \$90 a month and then quite again. Now this was very unfair to the people who were considered to be employable and who were actually working and paying the taxes, providing the budget of my department to enable us to issue the cheques to those who were unfit for work.

We also found people, Mr. Chairman, driving school buses and the people who had the contracts for school buses were hiring these men for \$90 a month. So, actually what we were doing was subsidizing the people who had the bus contracts. The hon member for St. John's East (Extern) is smiling because he knows exactly what I am talking about.

We also found some of these people who, now remember were certified unfit for work by the doctor, working in service stations part time, working in offices. In other words, Mr. Chairman, they were working in the competitive labour market and some were actually fishing, believe it or not. They had their lobster licence and they were out lobster fishing and salmon fishing, feeling that they were allowed to earn this \$90 a month.

Now I do not know how they arrived at this understanding but this, in my view, was morally wrong because they were competing with people who were actually working and providing the taxes that enabled us to pay out these cheques to people on long-term assistance. So, we have changed it and we have redefined allowable income so that these people now will only be allowed, as it says here, to become engaged in salaries and wages from part-time employment, and I have listed what the part-time employment is.

Mr. Neary.

Now the other group, Mr. Chairman, and I am inclined to agree with the Leader of the Opposition that those on short-term assistance, and I read the item that he read from the Toronto Globe and Mail. This is the philosophy of my department and the Government that eventually, when we can provide the resources, that these people will be allowed to earn so much money without having it deducted from their short-term assistance.

Now in the last year we have taken the first infant step. Prior to about, say, six months ago, those on short-term assistance were only - their entitlement was based on gross income. We have now changed that and their entitlement, say up to six months on, will be based on net income. In other words, Mr. Chairman, those who go out and try to rehabilitate themselves, try to get back to work, will be allowed legitimate expenses. As I say this is only an infant step in trying to reach the objective that the hon. Leader of the Opposition mentioned,

I certainly agree with him, and eventually we may reach the stage where we will be able to define allowable income for those people.

As far as having a placement section in my department, Mr. Chairman, I have been resisting that, because I do not think (although sometimes I have second thoughts about it) that we should have a placement section in my department. I think that there are other departments of Government both in the Province and in the Government of Canada where they are more equipped to deal with placing people for employment than we are. Although the hon. Leader of the Opposition might remember that recently I announced that I am having my Director of Training and Research list for us the number of girls beyond compulsory school age limit who are unemployed and living at home right now, in relative idleness and with no real prospects for the future. Most of these are unfit for office work, and when we have this report, Mr. Chairman.

Mr. Neary.

then the next step will be to try and get some training for these girls. I think I used the term there a few weeks ago, they would be trained as what I would like to call "family aides" You know, this would be a new career for those girls and not only would we be helping the girls but we would be helping the housewives because as the hon. Leader of the Opposition pointed out, there is a considerable demand in Newfoundland and Labrador and right across Canada, Mr. Chairman, for family aides.

Now as far as the abuses of social assistance at the moment are concerned, Mr. Chairman - this point was raised by the hon. member from St. John's West - I think that at the moment it is reduced to a minimum. We are conscious of the fact that social assistance is always open for abuse. We like to think that we have reduced it down to about as far as we can. We catch the odd one and when we do, of course, they are prosecuted. As far as water and sewerage rates are concerned, Mr. Chairman, we do not pay water and sewerage rates for anybody on short-term assistance. We will only pay water and sewerage rates for families on long-term assistance providing that they can prove to the welfare officer beyond any shadow of doubt that they cannot meet these payments out of their \$25 a month household maintenance allowance already included in their long-term assistance cheque. Therefore, the onus of responsibility there, Mr. Chairman, is on the client. Purchasing of houses, the hon. member for St. John's West is quite correct. This is now being turned over to the Newfoundland and Labrador Housing Corporation. The only part that the field staff of my department play in this is to establish an entitlement. Once the entitlement is established then we make a recommendation to the Newfoundland and Labrador Housing Corporation. The reason that the house was purchased in the name of the minister before or let me put it this way: the reason it was put in the hands of the client was because we could not issue material for repairs for that house, if the client did not own it. So, therefore, it was expedient at the time to put it in the hands of

Mr. Neary.

the client as quickly as possible.

What we are doing now, Mr. Chairman, is that the Newfoundland and Labrador Housing Corporation had become the landlords and we pay the rent of the clients to the Newfoundland and Labrador Housing Corporation when necessary. But even at that, Mr. Chairman, I do not think it will be possible for the Newfoundland and Labrador Housing Corporation to own houses all over the Province, because you will own a little house here and a little house there.

I think our philosophy of the future should be that once the house is paid for, once we have paid enough rent to equal the purchase of the house then, I think, they should give the house to the client because then he has more respect for it and then he has a greater interest in it, in the upkeep so on and so forth.

MR. CROSBIE: These are only for people on long-term assistance, are they?

MR. NEARY: No short-term and long term. Now as far as the arrangements for fishermen are concerned. I am trying to give brief answers here, Mr. Chairman. I would be quite prepared to go into greater detail, if the members want me to. This arrangement for fishermen has been on the books now for years. What happens is that a man who goes fishing - that we will make an arrangement and this has to be a signed contract between the supplier and the fishermen whereby the supplier will look after the man's family while he is fishing. But he has to sell his fish to that employer so that if he has a good season, he may be able to pay his own way. All we do is establish credit with the supplier and if the man has a good season, if he can pay his own way, then the credit is wiped off out of his cash.

MR. CROSBIE: It does not matter if he is going to Labrador or not?

MR. NEARY: It does not make any difference. What happened, I think,

Mr. Neary.

Mr. Chairman, and the hon. member is probably right that the fishermen, the floaters in Labrador did not realize that this service was available until this year. So what we will do, we will grubstake the floater going to Labrador for the equivalent of short-term assistance which would be \$25 a month in food and we, ^{would} look after his family while he is there, providing that we can enter into an agreement that when he disposes of his catch, whatever his share of it is, that the credit will be written off. In other words, he will not receive it twice.

MR. CROSBIE: In connection with the housing part. The minister says that when the house is paid for the title would be put in the name of the recipient. One of the houses purchased in accordance to an answer here was - it cost the Government some \$10,000 odd. Now how can that be justified, that that house would be given to somebody on welfare assistance after it was paid for? I mean it seems a peculiar thing. You know a person who is working is in an equivalent house and he has to pay for it himself. How can the Government justify making a gift of \$10,000 to somebody like that.

MR. NEARY: Well, Mr. Chairman, in that case, we probably would not give the title of the house to that individual. I am only thinking of remote parts of the Province. Because in the urban areas, I think, the Newfoundland and Labrador Housing Corporation should keep the houses; especially, of the type that the hon. member just mentioned.

Now, Mr. Chairman, as far as those on short-term assistance are concerned, on this side of the House we are very conscious of the fact that the rates are low and I think I mentioned on Friday that there has been an increase in the expenditure of my department of 9.7 per cent over 1967-1968. But I think, Mr. Chairman, that this is deceptive because ^{power} the purchasing of the dollar, as everybody knows, has declined greatly so, therefore, I would be inclined to agree that those who have to come to us through unemployment, through handicap, through no fault of their own, for short-term assistance, for emergency assistance, in between employment

Ms. Neary.

opportunities, are really struggling and we are very conscious of that, Mr. Chairman. As I pointed out on Friday, the only hope that I can hold out at the moment is having the formula of the Canada Assistance Plan changed so that the have-not provinces will get a greater share of the cost of social welfare programs and then we would be able to improve the rates.

MR. SAUNDERS: Mr. Chairman, I heard the minister there in his statement saying that unfishermen starting to fish who have been on welfare - I wonder if he could tell me, if a fisherman had started out, on Friday past or Thursday and has \$9.00 worth of fish for his first catch, after having to go and get supplies and get a few things to get him fishing. (He would have to get a bit of paint for his boat) would it be right for that man to go up to the welfare officer on Friday and be cut \$20.00 because he got \$9.00 worth of fish? I thought the understanding was that a welfare recipient would be looked after until he got on his feet, started fishing. I did not think it would be right to stop the food from a man even before he got paid for his fish. ^{When} A man has to catch fish, remember he has to cure that fish before he can even hope to know what he is going to get. One man I know right now - over this past week - I know it is not the minister's fault, because the minister has explained it very carefully, I think it needs to be looked into, because in my district where they are just starting fishing and if a man goes out today, on his first day out, and he gets, say, - well right now he can get more, but last week, say a man went out and got \$9.00 worth of fish and came in and sold it. Well he did not sell it, he had \$9.00 worth waiting and it would take him a while before we can get that. He probably owes it to the merchant. He takes that.

I wonder if the minister could tell me if the program is that it would be charged back. I think that is the understanding that they would look

June 8th., 1970 Tape no 1155 Page 12

Mr. Saunders.

after it and it would be charged back to them.

MR. NEARY: Yes,

MR. NEARY: Mr. Chairman, we establish credits for fishermen when we are asked. You see, this is, most fishermen, I would say ninety-five per cent or higher, do not come to us for this, to make this arrangement. It is only when we are asked that we enter into such an agreement. Most fishermen do not make this arrangement because they realize that if they have a good season they have to pay it back. You know, we do not pay it twice. And it is only when we are asked Mr. Speaker, and if the hon. member would give me the name of the person to which he refers well, I would be glad to have it looked into. But you know, it is not a thing where it is done automatically. It is done at the request of the fishermen.

MR. HICKEY: Mr. Chairman, some of the items I wanted to discuss have been covered, covered very well by my colleague the Leader of the Opposition. There are a few that I would like to comment on. First of all when one gets into a discussion on welfare they are sticking their neck out or being taken wrong or misquoted or something of that nature. All of a sudden they are against welfare or against people getting something for nothing. But Sir, in my opinion I have said this in this House on a number of occasions, the best money that we spent is in this vote that we are debating right now, this \$11 million. There is no \$11 million in the rest of the budget that we spend which is as important and which is as genuine as this one. We can talk of economic development and education and everything else, but Sir, nothing gets as close to the average citizen as food, clothing, shelter and all the rest that goes with it. We are in fact keeping body and soul together, and providing some kind of livelihood for those unfortunate citizens who cannot help themselves. One is therefore running a risk to get involved in terms of making some suggestions to help or to improve the system, because they run that risk of being labelled as being anti-welfare or not in favour of the expenditure of those funds. However, I think, Sir, one has to take that gamble. Because we are dealing with, not only with money, that is not the important aspect of it, what is important, Mr. Chairman,

is that we are dealing with human beings. We are dealing with people, children. And we must get the best system that is possible, not to save money, but to provide more adequately for those people who are in receipt of government allowances.

And, Sir, I have already stated how I feel about the changing of the name. I think that we as members of this House should set the example by attempting to drop that word welfare ourselves because, while the name has been changed, I note that every time the minister read, where there was any reference to this department, the welfare department is still referred to, the minister is still referred to as the Minister of Welfare. And certainly the sooner we drop it the better. Because I could not agree more with other members who have expressed their views on this; that there is a stigma attached to that word and the sooner we get rid of it the better.

Figures quoted by the Minister, for a family of five, are interesting indeed, for many aspects. For example, Mr. Chairman, just a few short years ago, when I was in the employ of that department, this same family the minister now refers to, for a food allowance for a month, on short-term assistance, received \$54. He now receives \$95. Certainly this is a step in the right direction. Mr. Chairman, ninety-five is insufficient and I am sure that no one here will deny for a family of five \$95 a month for a food allowance is not enough to provide the kind of food that people need. Therefore, any possibility of increase in rate would be welcome as long as some measures are taken to maintain some kind of control, maybe a little more rigid control. Certainly, Sir, the answer or the meat of the whole subject, when one discusses welfare, is not to cut back, is not to save money but to see that the money goes to the people who deserves it, who need it, and to see that it goes there in sufficient amount.

When we talk of abuses, Mr. Chairman, we do not talk of abuses to save money for the Treasury. We talk about it because it is wrong. We talk about

it because all of us can see next door to may be that person who has seen fit to abuse this programme. People who need more than they are able to get under the regulations and under the law. It must obviously irritate all people. to see someone get something when they do not deserve it while we see so many people who genuinely deserve more than they are getting and cannot get it. I think it has to be looked at in this perspective. Sir, there is something to be said for some of the people who are in receipt of short-term assistance I have maintained as long as I have been connected with the department and indeed since, that there are people considered employable, in receipt of short-term assistance, who indeed are not employable. They are listed in the labour force, Mr. Chairman, when they should not be. This would obviously mean an increase in the vote for long-term assistance, because if we took them out of the category they are in it would naturally increase the amount of money that we spend on long-term assistance.

But, Mr. Chairman, it makes little sense to have someone in receipt of short-term assistance which really is not sufficient. And I think we all have to agree with that. It makes little sense to include that person in the labour force when he or she is unable to work. And I would venture to bet, Sir, that there are at least a thousand throughout this Province, possibly that might well be a conservative estimate, but I would maintain that there are at least one thousand persons who are unfortunately receiving short-term assistance and suffering in one way and another, because of the fact that they are unable to get work, the kind of work that they might be able to do or may be able to do for a short period of time. But certainly they are not employable on the long-term basis. They are not employable, Mr. Chairman, when it comes to the average job, when and if that job becomes available. And so I maintain, Sir, that they should be taken out of the labour forces, should not be considered as part of labour force. In this way, sometimes when we hear of figures of the unemployed quoted, we know or anyone who knows

June 8 1970 Tape 1156 page 4.

anything about the department which we are now discussing. We know that there is a group of people in those figures that indeed if there were jobs available to them tomorrow they could not take them. There is something, Mr. Chairman, to be said for (as I have said) increasing, if possible, the amount of money per month that is given to welfare recipients. And yet we find, as my colleague pointed out, some people who are employed on a full-time basis are earning less. Well Sir, as the saying goes, "you cannot have your loaf and eat it too." And it would not be for me to suggest that we reduce welfare rates to bring it in line with someone who is making \$2400 or \$2600 a year while they are employed. This is not the answer, Mr. Chairman, the answer is to increase the money that is paid for that position that that person is holding.

Sir, with regards to short-term assistance, in terms of deductions, terms of orders being cut and cheques being cut, as it would be ^{the} case right now, in some areas, Sir, I have always maintained that this was wrong. And I realize that there are many arguments against continuing a person in receipt of assistance while he is working, or while he has earned some money. Mr. Chairman I think we have to look at the long range effect. And if the minister wishes to investigate this I feel sure that he can come back to the House and tell me that I am correct. I recall making reports myself. I am quite sure that I was not the only one and I had a fair consensus of opinion of welfare workers in the Province at that time. And by and large a majority of workers in the field felt as I did, that this money that we spend in short-term assistance should be used as a motivator to get people employed, to maintain their initiative not to stifle it or kill it but to maintain it and, in fact, help them get back and become self-supporting.

Sir, when we cut a welfare order or cheque because someone has gone out and earned some money, while we do not mean to do it, we are in fact saying to that person; as long as you continue to do this you are going to get less from us.

We are in fact saying to that person Mr. Chairman, we have little appreciation for the effort that you have made last month, in going out and trying and making an effort to supplement whatever income we are providing you. Mr. Chairman I would suggest we look very very closely at this and if there is, as I believe there is, some way in which we can get over the hurdle, even if it is for a temporary period, to see how that householder gets along, see how he gets on, and that is to continue assisting to look into his over-all circumstances. For example, a person who has been in receipt of assistance for four or five or six months, during that time, Mr. Chairman, if that householder has not earned some money or extra money, there are things that he needs, which he has been unable to get from his welfare cheque. I think our people in the field should be encouraged to look closely into the overall circumstances of this family.

I am sure that if they did, Sir, they would find many areas in which this extra money that has been earned could be spent without reducing the amount of the welfare orders, for as long as we cut the order of a person because he has gone and earned some part-time money or indeed if he has gotten himself a job which is permanent. I know of some cases where a person, having just been employed, having to wait two weeks for a salary, only to find that the most difficult time that he has had from the time he was laid off in his previous job probably for the rest of the time while he is employed, was that one month, that first month when he returned to work.

The welfare department could not assist him because he was employed. Because he had money coming to him. He might have slipped back, he might have built up some debts with the merchant or with the grocer he was dealing with, and the grocer would not advance him credit. So here is a man who has taken the initiative to get back become employed again, who has tried very hard to find himself a job finally succeeded and what do we do with him? We create a situation which is unbearable. He is employed, he has got money coming to him,

and yet no one will help him. Mr. Chairman, this can only be considered as discouraging a recipient from making a worthwhile attempt to become employed again.

I think from any aspect you look at short-term assistance you have to always come back to the one simple word that we have used here so often, the word which is now very much part of this department and that is rehabilitation. There are many ways, Mr. Chairman, we can rehabilitate people. Sometimes we can look at it in the point of view of someone who has a handicap. But people need to be rehabilitated Mr. Chairman, in this department just as much as they do from a health point of view. I think Sir, that the more emphasis that we place on helping people along those lines the more benefit that will come to both the department and the people who are recipients, the more return we will get for our money that we are spending.

Mr. Chairman, while I am on my feet I might just comment briefly on Churchill Falls. I know that I will have an opportunity to debate it further under another department, but I would just like to briefly comment. I would say that, Sir, I have to continue to support the employment practise of Churchill Falls. I have to continue to support the manner in which the people are employed.

Mr. Hickey.

We hear a lot of criticism of Canada Manpower, and I do not think, sir, that we are ever going to reach a situation where we are not going to have problems, where we are not going to have complaints. I feel sure that the majority of complaints emanating from the site are unfounded.

With regard to the figures as quoted by the hon. Premier, the number, 936 is certainly high. It is natural that all of us wonder if we could not have gotten some of those jobs for Newfoundlanders. The question was raised of the Department of Welfare - the department seems to be getting more involved in terms of possibly getting some recipients at the site. First of all, sir, I would say to anyone who has been to the site and who has been taken on tour of that site, realizes possibly why we have a number of manual workers from outside the Province. I know of one particular case or one particular instance where ten carpenters went to Churchill Falls - were hired as carpenters by Canada Manpower. The system of hiring this type of carpenter now has changed and for good reasons.

Mr. Chairman, when they went to the site, only two of the ten stayed there. Mr. Chairman, I feel I still am on the point. We are talking about..

MR. MURPHY: We are discussing what the Premier said fifteen minutes ago.

MR. HICKEY: I am not even discussing what the Premier was talking about. What I am discussing is the possibility of getting some welfare recipients to Churchill Falls. What I am saying is, in as much as it is desirable, we are having a difficult time to keep people at Churchill who have been employed constantly, much less some unfortunate people who have been unemployed for so long. What I was saying, Mr. Chairman, was this; that when we advertise for carpenters or when we see an advertisement for carpenters some of those people go to the site and ^{when} they find that they have to work 300 feet in the air, they sure change their minds. If they do not change their mind, the employer changes his mind two days after, and

Mr. Hickey.

two days after, they are sent home.

So, sir, while the figure might be a bit high, I think that while it is necessary to continue to watch this figure, I believe we are not as bad of, so far as that project is concerned, as we are led to believe. Mr. Chairman, I have some other comments to make, but I think I will make them on the next item with regards to cash allowances. I would like the minister to, when he rises again or possibly after I take my seat, if he would tell me if the system of ceiling is still in effect in the department - the system of ceiling. In other words, a person applying for assistance must be within a certain ceiling of income and if he goes over that, he is not eligible. Is this still in effect?

Mr. Chairman, here is an area where we can possibly help to alleviate the situation which we have discussed in so far as the reducing of welfare orders are concerned. If we were to increase..

MR. MURPHY: Such a guaranteed income?

MR. HICKEY: Yes. If we were to increase that ceiling, even if we were to increase it gradually, even if we were to increase it temporarily, say for three months after a person shows some initiative to become employed. If we were to increase that ceiling for a three month period to give that man a chance to get back on his feet, a chance to clear up some of his bills, Mr. Chairman, I do not think that we would lose anything, by whatever money we would expend, because I think it would be forthcoming. I think we would instill in that individual a greater desire to remain off welfare. But as I have said earlier, sir, as long as we continue - no matter for what good reason there might be, as long as we continue to strike a blow at the person who is on welfare the moment that he finds himself a job, we are only going to discourage him to go back on welfare again, because he is going to feel, he has to feel that he has no friends. He has to feel that the Department of Welfare could not

Mr. Hickey.

care less about him. So, I would suggest that the minister take this into account and attempt to come up with some manner in which, some policy in which a person would be given one, two, three months after he becomes employed or after he has indicated that he is getting back to become employed.

MR. NEARY: Mr. Chairman, I can only repeat what I have said earlier that we are deeply conscious of the needs of the men, women and children dependent on assistance from my department to keep body and soul together. Today 's air-borne consumer price index, probably, hits them harder than anyone else, because they begin with rates that are already minimal and you know, Mr. Chairman, what has happened to the conumer dollar since these rates were set. Now the hon. member probably has a point regarding people - you see, you are either employable or you are unemployable under the present system. There is no grey area.

Now maybe , Mr. Chairman, what we should do in the future is take a good, hard look at creating a burnt-out pension. I think this is probably what the hon. member is referring to. They have it in other provinces and down in certain states in the United States and certainly our social assistance program is continuously undergoing review and this is one of the things that I would be very happy to take a look at, because I do think we need this grey area for people who are burnt out. People, for instance, in their mid sixties, unskilled, uneducated, cannot find jobs, even if they are registered with Manpower, and I might say Mr. Chairman that this is one thing we insist on for those clients who come to us for short-term assistance. They have to register with Canada Manpower in order to qualify for short-term assistance.

Now to answer a question raised 'y the member for St. John's West, the increase in staff did allow us to provide better service. We can now specialize in long-term assistance, in short-term assistance and in child welfare, adoptions, and I might say one field, Mr. Chairman, that we have neglected, in my opinbn, in the past is the field of probation.

Mr. Neary.

One of the major recommendations of the Atlantic Provinces' Conference on Corrections, which was held here a few weeks ago and which was endorsed by the John Howard Society, had to do with the extension of probationary services both for adults and juveniles. Experience everywhere, you see, Mr. Chairman has proven that a trained probation officer is much more effective than imprisonment in the rehabilitation of those who come into contact with the law.

Now in the past, sir, our probation services had been restricted to the St. John's area. Over the past year, we have introduced probationary services in Corner Brook and just within the past week, Mr. Chairman, I have been able to reassign members of our present staff to probation duties in Gander to look after Central Newfoundland and Grand Bank for the Burin Peninsula. This is being done, Mr. Chairman. Treasury Board will be happy to know this. This is being done within our present budget by making better use of our professionally qualified staff and so, Mr. Chairman, within the framework now established by this expansion, the department will be able to extend its probationary services in depth as well as far better coverage of the various parts of the Province. This is the type of thing that we are trying to do now, Mr. Chairman. We are trying to specialize and so the hon. member for St. John's West is quite correct. This has been a tremendous advantage to us. We are getting better trained people and we are trying to get the best value we can for our welfare dollar.

MR. WELLS: Mr. Chairman, before we vote on this. I wonder if the minister would tell us whether or not there are any negotiations going on with the Government of Canada with a view to, perhaps, solving many of the difficulties that we have with short-term assistance so-called, able-bodied assistance? With the long-term assistance, there is nothing you can do. These people are generally unemployable - not capable for one reason or another of work. But with the short-term assistance, as I understand it, these are people who are capable and able to work, but

Mr. Wells.

for whom no work is available for a variety of reasons. Some of them attributable to them personally because of lack of skills and so on. What negotiations, if any, or are there any negotiations going on with the Government of Canada with a view to using these funds to actually employ people between the Provincial and Municipal Governments throughout the Province, to actually employ them and pay them more - not just a living allowance? If they do actually work, pay them nothing less than the minimum wage. You cannot very well pay them anything less, if they are actually working. But it seems to me that many of the ills - a number of members who spoke this morning describe that it could well be cured.

There is a great deal of work to be done in all of the municipalities throughout the Province, for example: A lot of work that the councils would like to do goes undone because they cannot afford to do it; yet between us all and all of us, as part of Canada, we contribute to the maintenance of these families whose head of the household cannot find work. Surely, Mr. Chairman, it seems that the most sensible thing to do is to use this money that would otherwise be paid out in welfare and perhaps put some more with it so that you do pay a salary and not just a subsistence allowance. It would be better spent, and we would avoid many of these ills that people who are ^{on} short-term assistance and can find a little bit of work here and a little bit of work there, not doing it because they lose their allowances or they have it cut back and so on. It is a very difficult thing to administer. I realize there is no ready solution and I realize that what I am now suggesting may well have pitfalls as well. It is not a perfect system. For instance how do you administer it in a remote area where there is no local administration, no local government or no Provincial Government direct administration? It could be much more simply administered if we had a county breakdown in administration in the Province than it could at the moment.

But, at least, a step could be made in this direction that where

Mr. Wells.

possible this be done. I realize that it cannot be done throughout the whole of the Province, but where possible this could be done. I also understand that the Government of Canada do not look with great favour upon such proposals, but I think the time has come, not just in this Province, but I think they encounter the same difficulties throughout the rest of Canada, where there may well be enough pressure brought to bear on them that they may participate in this kind of a scheme. An awful lot of people are annoyed at so-called welfare and people on welfare. They get annoyed at people who receive social assistance, generally, because of the few who do abuse it. There are a number who do abuse it, but I would like to think that that is a small proportion of the overall. I do not know. Nevertheless, it has created an opinion throughout the Province that is generally held - this is a system that is widely open to abuse and is being widely abused and could be better administered, if some such scheme as this were entered upon.

Now I do not know what the position of the Government of Canada is today, but I know, some time ago they just would not talk about it, as I understood their position to have been. I would like the minister to advise the committee what negotiations, if any, are going on or what is proposed to try and develop something along these lines. I believe in the long run, it is going to be in the best interest of our people. There is one thing short-term assistance does do and this is almost unavoidable. I find it difficult to blame the individuals. Although I can see how they can be blamed, when a man is being maintained and his family is being maintained ^{on} what to him is a satisfactory level. It may not be satisfactory by general standards but what to him is probably a satisfactory level; he is inclined to lose his initiative and avoid working, if it is possible to do so.

Mr. Wells.

The destruction of a man's initiative is the sad consequence of short-term assistance. This can and does happen, as I am sure the minister is aware. It does happen. If some kind of a program such as this could be worked out with the Government of Canada, I think it may solve many of the ills, although undoubtedly it will not solve them all. Perhaps the minister could tell us what steps, if any, are being taken?

MR. NEARY: Mr. Chairman, the hon. member has a very good point. I think our position is quite clear as outlined in a brief presented by my department recently to the Senate Committee Hearings on Poverty. We do agree, Mr. Chairman, that there should be a list of special projects whereby people can have a choice. They can work if they want to - not for welfare, but they would work for good wages, for union wages. I think the examples that I gave in the brief were, for instance, landscaping the Trans-Canada Highway, cleaning up our beaches and so on, Mr. Chairman. So far the Government of Canada has resisted this idea..

MR. WELLS: That was the winter works - they started it with the Winter Works Program. It phased out.

MR. NEARY: They have resisted so far allowing the funds of the Canada Assistance Plan to be used for special work projects and this is what we are after you see. So..

MR. WELLS: Why does there have to be a choice where he can either take the welfare or this? Because suppose he says, I do not want to work. He will go back and get welfare?

MR. NEARY: Well, you know, it is a free country.

MR. WELLS: Yes, of course...

MR. NEARY: But, of course, by working..

MR. WELLS: It is not that free.

MR. NEARY: But, of course, by working his standard of living would be much better than by his staying on social assistance.

MR. WELLS: That is not going to solve the problem of the hangers-on who might be otherwise able to work.

MR. NEARY: Well there is such a thing as civil liberties, Mr. Chairman.

MR. WELLS: Fine. You cannot compel a man to work but ...

MR. NEARY: In the meantime, the principle that the hon. member has outlined is sound. There is no question about that. The Premier put this proposition to the Government of Canada several years ago. It is not a new idea, Mr. Chairman, and it was endorsed recently in the brief that I presented to the Senate Committee Hearings on Poverty, and I would be glad to let the hon. member have a copy of the brief, because the very points that he raised are outlined in this brief. They have been made public, and I think it would go a long way to improve the moral of our clients, Mr. Chairman.

MR. MURPHY: Mr. Chairman, just one question and this has arisen out of my just checking some of the salaries or wages, whatever you like, paid in the Department of Social Services and Rehabilitation, and it is dealing with an earlier point that I brought up and it is not that we should lower our assistance to the recipients but perhaps to have a long, hard look. I would like for the minister to do this for me. There is one particular item here, seventy-five institutional officers, Grade VI and it is broken down: fourteen utility men, two watchmen, four food supervisors, two practical nurses and fifty-three nursing assistants - trained.

Now, as I say, how many in these families, I do not know, because we do not have these particulars, but I am basing it on a family of five, which is the average family as stated by the hon. minister and there annual income is \$3,387.95 and if they quit their jobs tomorrow and went on welfare, they would receive \$3,460. I may be all wrong on this here but..

MR. NEARY: Mr. Chairman, if the hon. member will allow me, that is not quite right, because he is talking about long-term assistance and in order to qualify for long-term assistance, you have to be certified as unfit for work by a doctor. The short-term rates are much less.

MR. MURPHY: Yes, but I think basically we can argue this. And as I have said earlier, I am not going to, but you find short-term assistance in many instances becoming long-term because the fact that he is out of work tomorrow and he gets short-term assistance and he cannot get a job for two, three, four or five months, I presume then, we have to consider him over a period, rather than be temporarily out of work, as being almost permanently.

MR. NEARY: No! No!

MR. MURPHY: But anyhow these figures are interesting, if you want to compare them, and I would like to see a breakdown of some of the actuals. The idea is, I think, to try and create a guaranteed income where we bring someone up to what they should be earning for so many in the family. I think the first one who should set the example are the Civil Service itself and the Government.

MR. NEARY: I do not think there is any doubt about that, Mr. Chairman. The hon. member is quite right. I think the Government of Canada are working towards the guaranteed annual income or reverse income tax or some other system.

MR. WELLS: Mr. Chairman, just as a matter of interest. Would the minister tell the committee, when it happened and why it happened that recipients of social assistance are now called clients of his department. You know, what is the significance

MR. WELLS: and why?

MR. NEARY: Mr. Chairman, I do not know if lawyers resent us calling our people who come for assistance, "clients".

MR. WELLS: I am just wondering how it relates to welfare?

MR. NEARY: I do not know, I cannot explain it, Mr. Chairman, apart from the fact that if you go to a doctor or psychiatrist or a lawyer you are a client, so if you come to my department for assistance, you are a client that is all.

MR. WELLS: It connotes payment for services.

MR. HICKMAN: Mr. Chairman, one other thing, but I think it is unfortunate that it exists with respect to payment of social assistance -

MR. CROSBIE: With respect to the Burin office.

MR. HICKMAN: Oh the Burin office, has that not been settled yet? I had forgotten all about the Burin office.

MR. NEARY: Mr. Chairman, it is several weeks ago now, since the hon. the member for Burin raised the matter of the Burin office, and right up to this very moment, I have not received a single complaint from a recipient of social assistance in that area. We still maintain the office in Burin, two days a week, I think it is. The only thing is, that the two social welfare workers are field staffed, they are two girls, I think. They decided that they wanted to live in Marystown, and that is their prerogative. But we do rotate, not only the girls, but the males in the Marystown office go to Burin in their turn two days a week. And that office will continue to be maintained, as long as it is necessary, Mr. Chairman.

MR. HICKMAN: I was not being critical, Mr. Chairman, of the work that is being done by the welfare officers. I think, that the senior officials find it a bit more difficult and inconvenient to look after the law in the St. Lawrence area because of distance involved and people who cannot come down that far. But from the point of view of the individual performance on the part of the welfare officers, it is first class. And I would be very happy to bring this to the attention of the committee.

I still cannot subscribe to the view that welfare recipients should have to use a shopping centre in order to avail of the services that are provided.

MR. HICKMAN: And if you stand in that shopping centre in Marystown and talk to any recipients, all you have to do is talk to them for a minute, and you can see the source of embarrassment of having to line up outside, while somebody else is going into Ayre's or Sobey's or some other place buying their groceries or whatever they had to do. This is not what I had in mind, and I do urge the hon. minister, he says he is going to go down one of these days and have a look, as soon as this House adjourns.

MR. MURPHY: There is liable to be an election then, and he will not be able to get away.

MR. HICKMAN: Other than an election, we will welcome him anyway, right in the middle of an election, I would be delighted to see the hon. minister down, and the Town Council in Burin will be more than happy to provide adequate facilities for him.

But one unfortunate situation that still prevails, Mr. Chairman, is the comparison of social assistance that is being paid under the welfare scheme, and that was being paid under the Workmen's Compensation Act. Now there is a difference when you come to large families. For instance, a widow with thirteen children is much better off under social assistance, the difference is \$312.50 per month maximum under Workmen's Compensation. This is at the time of the Royal Commissions Report, \$415 social assistance. Well it is true that a widow has an absolute right, if she so desires, to apply to the welfare officer to be paid the difference. But a lot of widows adopt the attitude, with a great deal of justification, that Workmen's Compensation is not social assistance, it is not welfare.

MR. NEARY: It is insurance that their house is paid for.

MR. HICKMAN: That is what it is, it is insurance paid out of a trust fund that was earned by their husbands, and this is where the concept is so different. Social assistance is paid to a widow who has no source of income, whose husband did not qualify for Workmen's Compensation, presumably here husband at the time of his deceased was not employed or alternatively he was employed in an industry that did not come within the scope of the Workmen's Compensation Act.

MR. WELLS: Or, he died of natural causes.

MR. HICKMAN: That is what I mean, he died of natural causes.

But Workmen's Compensation is in a completely different category; these are monies directly or indirectly that are earned by the workmen, paid by the employer. True he does not deduct from the employee the money to go into this fund, but the employer pays in as part of his terms of employment. True he does not do it voluntarily, he does it because of legislative process and requirement, monies into a trust fund to ensure that his widow and dependent children will be looked after in the event that he dies of an industrial disease or he is killed in the course of his employment. And a lot of widows resent the fact, and in fact some widows will not go and ask the welfare officer to be compensated for this difference between what she is receiving from the Workmen's Compensation Board and what she would get if she were social assistance.

But there is also another benefit that accrues to people on social assistance, that according to the Royal Commission, they cannot find proof positive would be provided to the widow under Workmen's Compensation, and that is widows receiving social assistance, receive further additional benefits, (I am quoting now) "including exemption from payment of school fees, books, drugs; hospital fees, including transportation to and from hospital, and town council taxes, such as water tax. Whereas the widows on Compensation receive no such exemption."

Mr. Chairman, only today I receive a letter from a widow in St. Lawrence which corroborates that position. I do not want to name her but just to quote from her letter. She says, "let me just give you an example of my expenses for drugs, this is since March 4th. - \$54.60. I have had to go to St. John's twice to consult doctors, taxi fares \$22.00 each way plus meals and board and lodgings." Now that is the sort of payment, as I understand it, that a widow on social assistance would be entitled to receive.

AN HON. MEMBER: Inaudible.

MR. HICKMAN: Well apparently this is something that was not proven to the

MR. HICKMAN: satisfaction of the Royal Commission, because this was suggested to them, and if you will ^{read} particularly 260 of their report, they advise the widow of their rights. And what they found was a great deal of this appears to be within the discretion of the welfare officers, and it is not an entitlement, as of right, and you have that coupled with the fact that the widow is very justifiably -

MR. NEARY: There is no guaranteeing anything.

MR. HICKMAN: The other thing which I think is very understandable and very commendable, you have the attitude of the widow saying, "we do not want social assistance. Our husbands earned Workmen's Compensation, it should be of an adequate sum, at least comparable to widows whose husbands were not employable, or died of natural causes at the time." I do not know what the answer is, but obviously, I think, the hon. minister has to admit that there is a difference and the difference mitigates against the widow and dependents of a person who is entitled to Workmen's Compensation.

MR. NEARY: No, no, no.

MR. HICKMAN: But it does, the figures speak for themselves. And maybe it is a far more appropriate time to discuss this under the estimates of the Minister of Labour. The difference is there and it is there very forcibly.

MR. NEARY: Mr. Chairman, I just want to say very briefly that recently we, my field staff, interviewed twenty-two widows in St. Lawrence, at their request, some were interviewed in the office, some at home, whatever arrangement they wanted to make and these twenty-two widows are now in full possession of the facts and they know exactly what their rights are under their social assistance. I think, this is as far as we can go. If they do not want to take advantage of it, well that is another story.

MR. HICKMAN: But you can see why, Mr. Chairman, and I would just like to quote one paragraph, which I know the hon. the minister has read and reread. "Your commissioners feel that it is unjust, humiliating and degrading for widows of deceased workmen, who died as a result of an occupational disease contracted in an industry covered by the Workmen's Compensation Act, to be

MR. HICKMAN: obliged to seek social assistance in addition to compensation."

Now, as I said earlier, probably the estimates of the Department of Labour is a more appropriate place to discuss this. But there is a recommendation that they should receive, a similar amount that is sufficient to enable them, at least, to live on the same bases as they would on social assistance.

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

MR. CROSBIE: The minister I do not think explained why this is down, I see the vote for Disabled Persons Allowances.

MR. NEARY: Oh, yes, Mr. Chairman, a lot of those people have now been transferred to long term assistance. You see there is no such thing any more as a disability allowance or a widow's pension. It is all long term assistance, with the coming into effect of the Canada Assistance Plan.

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

MR. CROSBIE: What is the amount, Mr. Chairman, of a blind person's allowance today, and how much is paid by the Government of Canada?

AN HON. MEMBER: Is that long term?

MR. CROSBIE: No, it is not long term, this is separate.

MR. NEARY: Blind persons allowances, Mr. Chairman, are up to a maximum of \$75.00 a month, paid to needy blind persons who have less than ten per-cent vision as determined by the Blindness Control Division of the Department of National Health and Welfare. Fifty per-cent of the cost is recoverable. Oh, pardon me, seventy-five percent of the cost is reimbursed by the Government of Canada.

MR. CROSBIE: Mr. Chairman, in connection with this allowance \$75 per month for a blind person; are persons who have less than ten per-cent of their sight, if they received a blind persons allowance, do they receive long term assistance also, or is that all they receive?

MR. NEARY: A means test is applied, Mr. Chairman, I might say for the information of the committee that there has been a reduction in the number of cases, chiefly, because of the reduction in the age limit for qualification

MR. NEARY: for the old age pension, and because of the increase in social assistance. They have switched over to social assistance, long term.

MR. CROSBIE: Well the only thing I want to point out here, Mr. Chairman, is that I had a call sometime ago from someone who is receiving a blind persons allowance, who is complaining how low it was, and I think their complaint is certainly justified. Seventy-five dollars per month is certainly not calculated to keep body and bones together, as an allowance. And since seventy-five percent of that comes from Ottawa, is there not any chance of increasing the allowance, it would not amount to all that much. In our estimates it is \$359,000, and seventy-five percent of that comes back from Ottawa, so it is only costing the Provincial Government \$90,000 a year. Would the minister consider making some adjustment to this blind persons allowance during the year?

MR. NEARY: Well momentarily, Mr. Chairman, we are waiting for the reaction from the Department of National Health and Welfare on our proposal to change the formula of the Canada Assistance Plan. If they agree, and this is the only hope that I can hold out for all those on social assistance at the moment, that blind persons allowances will be one of the first that will be considered for an increase.

MR. CHAIRMAN: Shall 05 carry? Carried. Shall 06 carry? Carried. Shall 06 carry? Carried. Shall 07 carry?

MR. WELLS: Mr. Chairman, I wonder if the minister would advise the committee the when, interfaith home in Corner Brook can expect to be permitted to go ahead, they can go ahead on their own, the proposal (I do not know, if the committee is aware of it or not) is that all of the churches, with the exception of one or two, have gotten together and created a company called, "The West Coast Interfaith Social Welfare Council", with a view to the construction of a home for the aged, rather than having one church or the other, if you wish, all of the churches with the exception of one or two have gotten together to do this. They have been working on it for sometime, They are now and have been for sometime

MR. WELLS: pretty well ready to proceed. But all that is required is assurance from the Government that they will receive, if necessary, the subsidies for the people who are in the home. They cannot very well turn anybody away, and if a person can only afford to pay a \$100 a month, well that is not enough to sustain them. The way it operates presently with the homes here in St. John's is that the Government pays up the difference. And I do not know, quite frankly, whether it is up to a minimum of \$300 or \$350 a month, or up to a maximum of that, or it is up to what the individual home needs to sustain them, for them to be able to repay their capital and so on.

But whatever it is, this is what they require from the Government, as well as a guarantee of occupancy, in order for them to borrow from Central Mortgage and Housing and to be assured of having sufficient funds to repay.

Now with the respect of guarantee of occupancy, I doubt that is much of a problem there, thinking in the neighbourhood of eighty to one hundred beds. And there area of service is the entire western half of the Province, so that filling eighty to one hundred units that would be available is not difficult. So I do not think there is any real worry about occupancy, where the difficulty comes in is the subsidy from the Government to bring up to the economic point the income of the corporation, so they will have sufficient to repay.

Now I realize meetings have gone on recently, but there have been meetings and correspondence for some considerable time with the minister, to try and get this. This is the only thing that is now holding this up, The churches are prepared to go it on their own, otherwise. They are not looking for any cash grants from the Government. They are prepared to put their own money into it, at the outset the differential between what it will cost and what they will receive from C.M.H.C. They are prepared, ^{to put} this up immediately themselves, and they require only this guarantee that the Government will pay the subsidy differential. This is all that is necessary to allow this to proceed immediately. It has been held up now for sometime because they are

MR. WELLS: ready to proceed, and they just cannot go without it, they are reluctant to undertake the borrowing of money from C.M.H.C. for this, and find themselves in a position some day where they may be short ten percent or fifteen percent or twenty percent or twenty-five percent of what they need to repay it. These people are representatives of all the churches and even though they feel that the Government will come to their assistance, should that ever occur, they do not want to be placed in that position. And beside, I understand, this is the policy, this is what is being done in the home here in St. John's, and they are serving their people all over the Province in those homes. But there is a great need to have this kind of facility in Western Newfoundland, and it is long overdue, and this is now the only thing holding it up.

I would not imagine it would in any way affect the estimates for this year, because by the time they got it built, I cannot really conceive of occupancy prior to next March, April or May.

AN HON. MEMBER: A year perhaps.

MR. WELLS: Roughly a year, somewhat short of a year by the time it is constructed. They are ready now to proceed. I know this personally because I am on the Board of Directors representing one of the churches. And I really do not think this makes any difference. I have been asked to do this work by one of the churches, and I have agreed to do it, and there are several others on the Board of Directors, and I think they have done a very good job putting this thing together, and they are ready now to roll. I wonder if the minister could say if it is safe for them to proceed, so there will not be any further delay, if he could tell the committee, Mr. Chairman.

MR. SMALLWOOD: Mr. Chairman, At least representatives from two of the churches came to see me, the Anglican and the United Churches, the representative of the Roman Catholic Church was in retreat, Monsignor Hull, so two of them came and had lunch with me. And I had present with me at the lunch, Mr. Andrew Crosbie, from whom I had heard of plans he had to erect a number of homes in this Province for the aged. And it seems to me that it

MR. SMALLWOOD: might be useful, if the Committee from Corner Brook could be brought together by Mr. Crosbie to hear from him his plans and to see whether or not, it might be practicable and desirable from both points of view to have some sort of a merger or some sort of collaboration between them.

MR. SMALLWOOD:

It was not long before it emerged that there is a sort of a gulf between their wishes and their plans with regard to the size of the operation in mind. The Committee are thinking evidently of a relatively small operation of about eighty beds and Mr. Andrew Crosbie is thinking of a much larger operation. They can, both of them, get the money from Central Mortgage with which to construct whatever is decided to put there and so from the point of view of the capital needed there is no difficulty whatsoever, none at all. There is this difference of opinion as to the size it ought to be. If there is to be one home for the aged in Western Newfoundland and not more than one then clearly eighty beds will be insufficient, it would be lamentably insufficient. And from that point of view at any rate the concept of Mr. Crosbie would appear to be a more practical one than that of the Committee otherwise there is precious little difference as the capital to build would come in either case from Central Mortgage and then there would be the problem of operation.

If the Committee built it then they would have the problem of managing the operation of it, employing trained personell and exercising a sort of general supervision of that management personnel. If Mr. Crosbie built it he would have exactly the same problem with this difference that he proposes a series of them and might therefore possibly find it more fesible to set up a good working management arrangement, might. I do not say positively that he would be in a better position to do it than would the Committee, I do not say that he would but it is possible.

As a Government we are asked only to do two things. One to guarantee ninety per-cent to one hundred per-cent occupancy and certainly in an eighty bed institution there would be nothing very much easier than doing that. Second to subsidize the cost per bed so that the institution erected and operated would thereby take in enough revenue to amortize the debt which, of course, they would have to do. One of the problems the Government has to look at is the over-all problem of the Province as a Province. How many old peoples homes do we think we ought to have? Where ought they to be? We have at the moment here on the Avalon Peninsula the magnificent St. Patrick's Home for the aged, St. Luke's Home of the Anglican Church, Agnes Pratt Home of the United

MR. SMALLWOOD:

Church, all three of these being in the city of St. John's, and the magnificent Pentecostal Home over in Clarkes Beach. Four here on the Avalon Peninsula where perhaps -

AN HON. MEMBER: The Hoyles Home.

MR. SMALLWOOD: Well, the Hoyles Homes, I forgot it. Five.

MR. HICKMAN: Is the Pentecostal Home a home for the aged and infirmed or just the aged?

MR. SMALLWOOD: Yes, it is because they have nursing service there. It is a magnificent home as I went through it last year once and it is a credit to this Province as they all are indeed. So with five homes for the aged here in Eastern Newfoundland and that being insufficient by far to meet the need and there being also in Central Newfoundland, not only a need but a desire and not only a desire but a firm wish expressed by one of the larger churches there, perhaps the largest single church in Central Newfoundland, I am not sure of that, but the need being there and the desire to have it. Now for Western Newfoundland, the only question that remains really is that of the size of the one proposed by the Ecclesiastical Committee or the Social Services Committee of Corner Brook who wanted eighty beds.

As a result of the conversation we had at lunch the other day when they lunched with me I think that perhaps they went back to Corner Brook with two thoughts clear in their minds. One that there will be no difficulty whatsoever from the Government, none at all, if they went ahead with the eighty bed institution and two that perhaps it might be worth-while their taking another look at the size of the project they have in mind. Perhaps if instead of having one just for Corner Brook and they drew a line from Baie Verte, I think, across the Island Southward to Burgeo, I believe, and proposed that their institution would serve that area. It strikes me right off that an institution of eighty beds might nominally serve that area but practically it would probably not do so.

Then again, Mr. Chairman, the Government have to look at the thing in the round. We have to, whether we like it or not, we have to remember that although we do not have to share at all in the costs of putting the institution

MR. SMALLWOOD:

there in the first place we do have to share in the cost of its operation after it is there. We are now, I think, I am a little hazy in my mind on what the ultimate decisions were at that luncheon but I have half an idea that I said we would appoint a Committee of Cabinet to try to corelate and integrate the whole picture to the Province and I have also a hazy picture in my mind that we are to hear back from them, the Committee in Corner Brook, that they were to go back and confer with their colleagues. In all events I have heard nothing since then and I frankly do not know what has been going on but I thought the Committee would be interested to hear that part of it at any rate.

MR. WELLS: Mr. Chairman, may I say with respect to the last thing the Premier mentioned before I forget it -

MR. SMALLWOOD: I left out one by the way on the Avalon Peninsula, Sunset Lodge Salvation Army which makes a total of six homes for the aged on the Avalon Peninsula.

MR. WELLS: I can advise the Premier through you, Mr. Chairman, that as far as the Committee in Corner Brook is concerned they are now waiting to hear from the Government. They do not anticipate -

HON. MEMBERS: Interruption.

MR. WELLS: Now that it has quieted down I can tell the Committee, Mr. Chairman, and for the Premier's information in particular that that Committee is waiting to hear from the Government. They do not anticipate, they assume that representation has been made and they are now waiting to hear that the Government has agreed to guarantee the occupancy and the subsidy. But with respect to his remarks concerning the size of the home I agree thoroughly that eighty is not sufficient to serve the area that this council is designed to serve. But what the council feels is better is not to build one monstrous home in Corner Brook but to service their whole area by starting out with the one in Corner Brook of in the vicinity of eighty to one hundred beds, somewhere in between there or whatever the plans will allow, and then constructing other homes within the next few years that will represent the various regions. One for example in the Baie Verte area to take care of that whole area, one in

MR. WELLS:

the St. Georges, Stephenville Crossing, Stephenville area to take care of that area, one out towards Port aux Basques probably down in the Codroy Valley or in Port aux Basques itself and one in the Bonne Bay area and one in St. Anthony.

Now this is what the Committee feels would be better for the older people. Instead of bringing people from Green Island Brook down the North West Coast into Corner Brook when they become old and infirm they would prefer, I am sure, to be somewhere near within reasonable driving distance of their relatives and friends with whom they have lived all their lives. So the Committee felt that it would be more desirable. Firm decisions have not yet been made on this but they do feel that it would be more desirable for this Social Welfare Council, which represents all of Western Newfoundland, to think in terms of constructing several homes spread throughout the area rather than one or two major large homes in Corner Brook where people would have to be brought away from their friends and relatives. It is not possible to construct facilities like this in every community but it is certainly possible and practical to do it in confined geographic regions. For example, the Port au Port Peninsula - St. Georges Bay area is a confined region and somewhere in that area you could place one of these homes and service the people of the area, where their friends or relatives could drive within twenty to forty miles and visit their people that they have in these homes.

This is what the Committee feels would be better. Probably homes of forty to fifty, outside. The idea as well, with this home in Corner Brook, at the moment, while they are thinking in terms of eighty to one hundred, it is being planned and will be so constructed as to enable ready expansion to a larger size as soon as the need arises. As well the Committee might right away, for example, take over the old hospital facility at Stephenville Crossing and renovate it and use it temporarily at least until final plans could be made. This is another possibility and there are a number of reasons for that. I think there were some political undertakings that an old age home would be built in Stephenville Crossing, anyway it is not necessary to go into that.

But in the light of the circumstances that there are no facilities outside of the Avalon Peninsula at the moment, no facilities at all, Western

MR. WELLS:

Newfoundland is in dire need of it and this group is prepared to go ahead and do it and they do not require any capital from the Government. All they require from the Government is an assurance that the Government will treat these people the same as they treat all the other homes here on the Avalon Peninsula. Now that almost goes without saying that surely they are going to do that, can they do any less? I do not think so. Surely it is entirely safe for this group to go ahead forthwith and start construction of this facility because it is so badly needed. There is nothing there at the moment.

So I would like the Government, as soon as they possibly can, because the season is wearing on and they have to call tenders, plans are pretty well ready but they have to call tenders and so on to get this work done and that does take time and they have to make their final decisions and they need to know, you know they needed to know yesterday.

MR. NEARY: Mr. Chairman, as the Treasury Board Ministers are quite busy we have set up a meeting and if we ever get the House closed, Mr. Chairman, we -

MR. WELLS: Do we have to wait until the House closes -

MR. NEARY: Of course because you see, Mr. Chairman, there is a continuing expense involved on the Treasury and therefore we have to go and discuss it with Treasury Board. There is no problem with the ninety per-cent occupancy or there is no problem with the capital outlay, so if we ever can get time, Mr. Chairman, to sit down and discuss it with Treasury Board the hon. member will get his answer as quickly as possible.

MR. WELLS: I agree that Treasury Board has to do it but what I am saying is; do they have to wait until the House closes before they can meet?

MR. NEARY: You know there are only twenty-four hours in a day .

MR. ROBERTS: Mr. Chairman, Treasury Board is so far behind, Mr. Chairman, I would move that the Committee rise and report its progress and ask leave to sit again.

On motion, Mr. Speaker, returned to the Chair.

MR. HODDER: The Committee of Supply have considered the matters to them referred and directed me to report some progress and asks leave to sit again.

On motion, report received and adopted, Committee ordered to sit

June 8th, 1970

Tape 1159

JM - 6

again presently.

MR. SPEAKER: It being now 1:00 o'clock I do leave the Chair until 3:00 o'clock.



PROVINCE OF NEWFOUNDLAND AND LABRADOR

HOUSE OF ASSEMBLY

Volume 1

Number 101

4th. Session

34th. General Assembly

VERBATIM REPORT

MONDAY, JUNE 8, 1970

SPEAKER: THE HONOURABLE GEORGE W. CLARKE

The House met at 3 p.m.

Mr. Speaker in the Chair.

HON. W. N. ROWE (Minister of Community and Social Development);

Mr. Speaker, with your Honour's leave, I wish to make a ministerial statement and to table a document in this hon. House.

I take great pleasure and a considerable amount of personal satisfaction in tabling in this Honourable House a Paper which I have written on behalf of the Government, entitled A Social and Economic Development Program for Newfoundland and Labrador in the 1970's. It is a preliminary Paper which is to be followed in several months by a more complete and definitive Paper on the same subject.

The first few pages of this present Paper contain a general summary of its contents which, I trust, will be found convenient by Members of the House and the general public.

This document is intended to show the Government's approach to the development of our Province during the present decade and beyond. The Paper points out that in the environment of continuous change through which our Province and the rest of the world are passing, the difficult task of getting rid of our disparity with the rest of Canada requires a positive and constructive attitude on the part of industry, commerce, labour, and Government alike.

The Paper shows that if our population trend continues favourably we can expect a population of about 600,000 by the end of the 70's. Thus, if we are to reduce the unemployment rate and the underemployment rate in our present and expected labour force to the averages ordinarily found across Canada, our development requirement is to create 6,000 new jobs per year over the next ten years.

The Paper mentions an earlier development planning effort by

6445

the Provincial Government, namely, the FRED Program, which involved the work of more than twenty-one persons over a period of many months, ending in a two volume report which was presented to the Government of Canada. Owing to a change in Federal Government policy, this plan was never directly implemented. The Paper stresses the fact that there is no point in lamenting the end of the FRED Program but that the important thing now is the new program which has been set up under the Department of Regional Economic Expansion. A section of the Paper then describes the powers of that new Department, both under the DREE Agreement and under the Regional Development Incentives Act which provides direct grants to industrial firms wishing to set up in Newfoundland.

The Paper also contains a description of present and future Provincial development planning and points out among other things the existence of the planning division of the Department of Community and Social Development, the Advisory Committee on Regional Development, consisting of all Deputy Ministers having a major role in development, and the strengthened Treasury Board machinery designed to make the most of money available for development.

From the viewpoint of actual planning, I believe the most important part of this Paper to be that which deals with our general strategies for development. These strategies are determined to a large extent by our basic development objective, namely, to reduce unemployment and underemployment by creating job opportunities through industrial development and expansion. The means of reaching this simply stated objective require a realistic appraisal of what possible economic roles our Province can play effectively in a highly competitive world. A suggested economic role for this Province involves, for example, (1) a fully developed fisheries program based on a full range of products, efficient catching,

complete local processing, a full marketing program, and rapid transportation to those markets; (2) the best possible management and full development and use of our wood and mineral resources; (3) specialized industries based on transportation by sea of raw materials or products in bulk; (4) the possible use of Newfoundland as a marine transshipment base; (5) other specialized types of secondary manufacture related to our raw materials, the availability of labour, and the availability of electrical power.

Based on these development objectives, the Paper presents six distinct categories of strategies listed in order of priority.

Strategy 0 covers planning programs and, as such, is basic to the whole program and thus has a high priority.

Strategy A is related to direct creation and expansion of production in the various commodity sectors (fisheries, mining, forestry, and manufacturing). This strategy would include new plant establishment, plant expansion, and all the direct requirements of those aspects of economic growth.

Strategy B is designed to increase industrial and individual productivity and, thereby, to increase incomes. This strategy is essentially directed toward carrying on the present economic activities, but in a more effective and efficient manner and, therefore, more competitively, and to strengthen the general base of present economic activities for further expansion.

Strategy C is designed to cause basic, underlying, structural changes, especially in primary resource activities, for longer term employment, income or servicing effects. These are programs which are necessary to induce basic changes in the long run, and they are of such a general nature that their full effects will only be realized over a longer period of time. This strategy

is aimed at ensuring that the people themselves and the services which they require are in balance in the economic sense.

Strategy D includes maintenance programs, to keep a viable activity in operation, by undertaking necessary adjustments. These programs would include emergency projects in communities which are not growth centres but which are viable continuing centres and where viability is threatened by the absence of such projects.

Strategy E involves alleviation programs, to facilitate adjustment of declining sectors, areas, or activities. These programs are introduced when it is socially necessary to do so and make easier any necessary adjustment by people out of declining areas or sectors and reduce the impact of such adjustment.

The next Part of the Paper deals with the various needed social and economic programs in each of the sectors of our economy, such as mining, fishery, forestry, manufacturing, and public services. A fairly detailed table is given which shows our various apparent needs over the next five to ten years to be nearly \$900,000,000. It must be stressed that the table is merely a preliminary list of some of the possibilities presently being considered. Once other projects and programs are fully determined as to cost it can be expected that the total cost of implementing our much needed industrial, resource, and service development programs during the next decade or so will be well over \$1-billion in capital spending alone.

The next Part of the paper deals with development on a regional or area basis and presents a rational and systematic concept of development areas in this Province. The present special areas under the DREE Program are also described.

The system of development areas which is presented is designed to provide a possible basis for local organization and development and to allow the Government and other interested public organizations to keep track of developments in the particular areas. The four regions, namely, the Eastern, Central, Western, and Northern regions, together with the development areas into which they are each broken down, are tabulated fully in the Paper.

In addition, a series of tables of resource and public service programs is set out for each of the regions and development areas and described in general terms.

The next two Parts of the Paper give a detailed description of the initial DREE development program for the present year and indicate the present Provincial Government development commitments in areas largely outside of the DREE Program.

Part 7 of the Paper is, perhaps, the most important aspect of the total program as far as the economic development of our many rural communities is concerned.

The Paper states that it is the firm intention of the Government to involve the people of the Province more directly in the planning process. Over the past few years we have been very interested in the formation of various area and regional development associations. Such associations can be very valuable, but equally necessary for the success of the planning process is a Province-wide body which can look at matters of concern in development from a general position. We welcome, therefore, the formation of the Newfoundland Council for Rural Development. The Government is prepared to provide some assistance to such a Provincial Council of associations to enable it to do

research and to distribute information.

The Government announces in this Part of the Paper that throughout the total development program for the Province, there will be a more specific program called the "Rural Community Development Program".

The basic objectives of this program are: (1) to use fully the existing pool of labour, skills and knowledge that exist in rural Newfoundland communities in programs of "self help"; (2) to achieve from these projects the greatest possible economic and social returns to people living in rural areas; (3) to make existing and proposed programs of resource development more acceptable and beneficial to rural communities; (4) to make the best possible use of all opportunities created for the rural areas by the urban programs, such as those assisted by DREE; (5) to make the best possible use of all opportunities created for rural areas by programs for resource development, such as those assisted by DREE.

To each project, however, two basic conditions will apply:

(1) that the people concerned will participate fully and will make a maximum contribution in the form of labour, land, materials, and/or cash; (2) that each project must have a pay-off in terms of an economic return on the investment involved, and preferably also a social return such as more effective community organization.

The Paper notes that because of the different or unique circumstances of a particular area, no preplanned types of projects should be designed for a specific community under this program. Each individual development path is to be created for a community or area by the people directly concerned and Government authorities working together. Thus, there is to be no lifting of

6450

plans from the shelf, but rather, each community development project is to be "tailor made" to fit the economic and social circumstances of the particular area in which the program is to operate.

The Government of Canada will be assisting us in this program as well. As a result of our arguments to them that the rural parts of Newfoundland and Labrador must obtain much greater help in the future, we are now negotiating with them an extension of the ARDA Agreement of 1965-70 to cover the period from 1970 to 1975.

The last part of the Paper deals with some other Government policies which are associated only indirectly with the economic development process but which are nevertheless very important.

The Paper ends by taking note of the fact that enormous strides have been made by this Province in the past two decades and by expressing the hope and expectation that the developments outlined in this preliminary Paper, together with other developments to be described in a later Paper, will enable Newfoundland and Labrador to burst through into an era of real economic and social prosperity and well-being during the new decade of the 1970's.

Sir, I have much pleasure in tabling this document and I have copies for every member of the House and for the press.

MR. ANTHONY J. MURPHY (Leader of the Opposition): Mr. Speaker, I wonder would the hon. minister permit me one question. We have heard two preliminary reports. One was previously on a part of DREE and now we have this one outlining a great program that this Government is going to undertake in the next short while. Perhaps, we could call it an election manifesto. When are we likely to receive those huge amounts of money and when does the minister think that he would be in a position to table something concrete for to carry out these programs?

6451

MR. ROWE (W.N.): If the hon. member had listened to me carefully, there were no promises of any kind in the White Paper. We expressed the need, Mr. Speaker, of the Province for industrial resource and service development. We are hopeful that the DREE program will provide by far the greater amount of the money needed and that the Provincial Government will be able to provide the remainder. There was no time limit given as to when it was going to be carried out. The program outlined the needs and the strategies which this Government will be using in order to cope with those needs and fulfill those needs, hopefully, over the next five to ten years.

MR. MURPHY: I wish the conservatives were getting the same privilege to outline their political manifesto on the floor of the House.

June 8 1970 Tape 1161. page 1.

MR.CROSBIE: I would like to ask the minister is this the white paper that he said he would be -

MR.CALLAHAN: Yes.

MR.CROSBIE: This is the white paper that is going to be distributed now.

MR.BARBOUR: Mr. Speaker, perhaps this is not the proper time but may be Sir tomorrow will be too late for me in the morning session if there is one. I will not be able to be present. I was wondering if I could have the leave of the House very briefly Sir, very briefly, to present a petition if it is the rule of the House because tomorrow morning I will not be here.

MR.SPEAKER: Is it the wish of the House that the hon. member be given leave at this particular time to present the petition? Agreed.

MR.BARBOUR: Mr. Speaker, I do not intend to dwell at any length on this petition because the prayer of the petition is rather complicated and it would take a good liberal lawyer to try and understand what is in the prayer of the petition. But it does come Sir, from my good friends in the community of Port Blandford. And the petition Sir, is signed by three hundred and thirty-six souls, 336 precious liberal souls. Mr. Speaker, the prayer of the petition is just simply this, and I must be very careful because I think Sir, at the very, this very moment while I am speaking the highways department is doing a lot of work through the community of Port Blandford so far as the road is concerned. I have not got that cleared yet with the minister but I will. So I am just merely going to present the petition I ask that it be received and referred to the department to which it relates.

MR.SMALLWOOD: Mr. Speaker, before the next order of business is called, may I have permission to table answer to Question No. 271 on the Order Paper of April 7 in the name of the hon. the member for St. John's West. The answer is far too long consisting of four and a half foolscap pages for me to give orally and I therefore table it, this written form.

COMMITTEE OF SUPPLY:

Mr. Noel, Chairman of Committees:

June 8 1970 Tape 1161 page 2.

MR. HICKMAN: 1131-03-07. Mr. Chairman, before we carry that item. I think the minister, and I would hope the committee would agree that the time has now arrived when this Province has to give very serious and urgent consideration and action to the provision of Homes for the Aged and Infirm throughout Newfoundland. It was said this morning that we have six homes for the aged on the Avalon these homes are doing yeoman service, all of them are overcrowded, all of them have a waiting list from various parts of the Province that they have no hope in the world of coping with. And in talking about homes for the Aged and Infirm I think a great deal of emphasis has to be placed on the word INFIRM. Because there is not much point in building a Home for the Aged unless that Home is also capable of providing hospital services and medical services to the people who find themselves there. They may go in in a state of good health, excellent health for their age, and then inevitably, as they grow older, they need medical care. And people who find themselves in that position are quite often asked before they enter certain homes whether provision can be made for them, for their removal in the event that they become ill. Now this is a pretty cruel way to have to approach the situation like that, but in some instances this is all that can be done.

Mr. Chairman, this morning the hon. member for Humber East and the Hon member for Humber West, the Premier, talked about the need for a home or homes for the Aged on the West Coast of Newfoundland and this is obviously so. Apparently there is divergence of opinion amongst various groups as to whether that area can be best served by a large institution or by smaller institutions. Personally I am inclined towards the smaller institutions because our older people are entitled to the comfort and the encouragement of visitations from their close relatives in these homes. And this is virtually impossible if these people have to come to St. John's or to Corner Brook.

Some years ago, I believe about three years ago, there was an announcement of several homes for the Aged that were to be established in this Province by a firm I think from Calgary or at least a firm that has established homes in Alberta

and similar institutions in Cape Breton and the Province of Nova Scotia. And that is the last we have heard of that but I gather from the Premier's statement today that Mr. Andrew Crosbie is proposing to government a somewhat similar proposal. May I suggest to government, and I would hope that my friend the member for, the hon. member for Placentia West, would share my concern, that in all of these great announcements dividing up, and we saw it again this afternoon, of the island into development areas and social areas it is always western, central and eastern Newfoundland. Occasionally, Labrador is mentioned but that is more out of courtesy than good intentions. But seldom, if ever, do we hear of anyone speaking of the southern region of this Province. That southern region stretches from Port aux Basques to Garden Cove, really the federal riding of Burin-Burgeo.

MR. WELLS: We were talking about Port aux Basques and Burgeo this morning, is included in that area.

MR. HICKMAN: Burgeo to Port aux Basques is included in the western Newfoundland area. But the south coast, southern Newfoundland never seems to get caught up in the scheme of things until after all the other developments and all the other areas are taken care of.

AN HON. MEMBER: Part of the east.

MR. HICKMAN: This is not part of the east, this is the whole trouble everybody keeps thinking of the south coast as part of the east. The south coast has not got as much to do with the east coast as Corner Brook has, despite what my friend from Humber East says. And this has been the tradition. Part of it was geographical, part of it was due to the fact that up until twenty years ago our line of communication was always with Nova Scotia and not with St. John's. It is only within the last twenty years, and even now Mr. Chairman, if you live on the south coast you will find that the listening audience on radio still listens to the Sydney and Antigonish radio stations I will not say in preference to the St. John's stations but certainly with as much frequency. And this has been partly, as I say,

June 8 1970 Tape 1161 page 4.

geographical because we had no way of communicating, no way of getting to the Avalon or no way of getting to the west coast. Now this has changed and we do have some communication for want of a better word. But the thinking has not changed. There is still talk of west coast, central Newfoundland, and eastern Newfoundland. Now by no stretch of the imagination is the south coast part of eastern Newfoundland. It certainly is not part of central Newfoundland and it most definitely is not part of western Newfoundland. And on that whole south coast in Hermitage Bay, Fortune Bay, Placentia Bay and the Burin Peninsula we have a fairly large population. We have a population that feel that they have not been caught up in the main stream of things in so far as the social services of government is concerned.

A few years ago there was representation, or last year I think it was, there was representation, the hon. minister of Health when he occupied the portfolio of Welfare, for the construction of a home for the Aged on the south coast, somewhere on the Burin Peninsula. We have gotten away fortunately from the idea coming in and advocating for anyone particular district, or any one particular town. But the need is there, my recollection is that the joint councils or one of the joint councils or several presented statistics of the number of aged people, not too many of them infirm but aged people who are no longer able to look after themselves satisfactorily or no longer able to maintain their homes, and who are looking for accommodation but who are not particularly enthused over the idea of having to come to St. John's to spend their later days. And this still prevails today.

Mr. Chairman, the day seems to have passed when people could afford to build homes, or they had homes large enough or they were willing whatever the reason to take care of the aged as we did in the past when there was always a large room or rooms provided for grandfather or grandmother and they spent their days in peace and tranquility with their families. Modern living and the cost of building homes seem to have brought an end to that to a very large extent and young people today are having all they can do to meet their mortgage payments and to build houses large enough to accommodate their own family. And at the

June 8 1970 Tape 1161 page 5.

same time our older people appear to be getting and properly so more independent. They want to be left alone in the sense that they can have their own rooms and their own kitchenette and their own apartment and they look for accommodation. This sort of need, not only for the infirm but for the aged, is not peculiar or restricted to the Avalon Peninsula or to western Newfoundland. I suggest, Mr. Chairman, that this need is province-wide, and I would hope that government in its deliberations and in trying to lay down a policy for the establishment of further homes for the aged would not get carried away by grandiose schemes which would centralize the aged and infirm in one or two places in Newfoundland. It will not suffice to build sophisticated large homes for the aged in Corner Brook, Grand Falls, St. John's and then say to our old people, and elderly people and infirm people throughout Newfoundland and Labrador we do have magnificent establishments five hundred miles away from your relatives, five hundred miles away from the place where you grew up and if you go in there you will find that things are, you will be well looked after. Many of them have to do it right now. There are many people living in the Hoyles Home and in the other institutions in St. John's who come from various parts of Newfoundland. But Mr. Chairman, while they are comparatively happy, they are not there as a matter of choice. And I suggest Mr. Chairman, that they yearn for the comfort of their families and they yearn for the friendship of the people who lived in their neighbourhood and in their area. And I would hope that when we, government when it does its studies as to the type of home to be built, and I would imagine that the statistics are presently available. May be the hon. the minister of Welfare can at least tell us the percentage of people living in the various homes on the Avalon and in particular, most of all except one in St. John's. How many of these aged people and infirmed ladies and gentlemen come from off the Avalon Peninsula. My guess is that it is a pretty high per cent. But what I am more concerned with is the number of aged and infirm all over Newfoundland

June 8 1970 Tape 1161 page 6.

who are desperately in need of this type of accommodation and many of the infirm who are desperately in need of this type of care. I may be accused of being parochial but I find most upsetting when I hear all these great plans for Western Newfoundland. I have no doubt at all nor does it bother me one iota that there is the demand of the people of Western Newfoundland, Central Newfoundland and the Avalon being taken care of, of course they should be. But they should not be taken care of to the exclusion of the people who live in the north, who live from Bonavista North, the Great Northern Peninsula, it should not be done with the exclusion of the people who live in the south and to the exclusion of the people who live in Labrador. And I know, I would hope that the hon. member for Placentia West would support me in my request that in developing homes for the aged that they not be so sophisticated and so large that there will not be room for the establishment of such institutions on the South Coast and on the North Coast of this Province.

We have the need, we have the areas and the facilities, we have the medical facilities on the Peninsula of Burin to take care of some of the needs of the Home for the Aged and Infirm. But this morning I waited, hoping that during the discussion between the hon. the member for Humber East, the hon. the Premier the hon. the minister, that somewhere along the line there would be some indication that it has crossed their mind that there is a part of Newfoundland called the South Coast. But we did not see it. Nor have we seen it in the statement today again, it is Central, Western and Eastern Newfoundland. May be the hon. the member for Humber East has put his finger on it. That the thinking is that the South Coast is part of Eastern Newfoundland. It is no more part of Eastern Newfoundland Mr. Chairman, than^{is} Corner Brook, indeed I doubt if the people in Hermitage Bay have nearly the ease of communication or Fortune Bay with Eastern Newfoundland as do the residents of the West Coast. My plea to the hon. the minister is that when he sits down with a plan, when he finishes his plan or prepares his plan for presentation to the Treasury Board and to his colleagues

June 8 1970 Tape 1161 page 7.

But number one, he looked very carefully at the idea of the smaller home which will allow the residents of these homes to be easily accessible to their relatives and friends from their own area, and secondly, that he take into account the needs of the South Coast of this Province.

MR. SMALLWOOD: Mr. Chairman, I refrain from using the words with which some many hon. members begin long speeches. Namely, I will not detain the committee unnecessarily, or I do not want to delay the passing of this business. But though I do not use the words I mean them. I will be very brief indeed. Up to now or until quite recently the theory in Newfoundland was at least the theory in the Newfoundland Government was that the best thing to do with old people that you wanted to help was to get private homes to agree to board them. We had five or six hundred elderly people whom we were boarding in private homes all around the Province. And these places were mostly in the outports. And the theory was, the belief was that if you put eight or ten, ten or twelve or fifteen elderly people in a private home they would have something at any rate of the comfort and the informality of a family life.

Then, we built the Hoyles Home, which is one of the finest institutions of its kind in all of Canada, I suppose. There cannot be many places in all of Canada accommodating elderly people that are more elegant and more beautiful and more convenient and adequate than our Hoyles Home. It is a superb achievement and it is a magnificent tribute to the care of Newfoundland people for elderly people.

Then we have the churches putting up homes. St. Patrick's Home, the Roman Catholic Church. St. Luke's of the Anglican Church; Agnes Pratt of the United Church; Sunset Lodge of the Salvation Army and the magnificent home in Clarke's Beach of the Pentecostal Assembly, in addition to the government's Hoyles Home. And then a small one in the hostel of the big fish plant at Valleyfield built by the Government of Canada. There a group of people headed, I think, and lead mainly by the United Church of Canada. Newfoundland Conference,

June 8 1970 Tape 1161 page 8.

have started a small home which I have visited and where I have met some old friends of mine who are now patients at that, or guests at that place. Then comes this firm that build homes in Nova Scotia. They came to visit us here to visit the government that is, and told us of what they were doing in Nova Scotia and elsewhere in Canada, and the cost at which they were putting up these homes and the cost at which they were able to operate them. We compared their costs with our costs in the Hoyles Home and we were astounded to find how cheap they were compared with our costs in the Hoyles Home. We were almost unbelieving their cost were so low compared with ours. We then said before we close with them let us try some local people and see if we can keep this thing local. And a local firm looked at it and said they could do it and operate it even more economically than the Nova Scotia firm. We were about to enter into an agreement with that local Newfoundland firm when the tight money descended upon us.

MR. SMALLWOOD: descended upon Canada as a whole, including Newfoundland. And so we decided to delay, not to go ahead, not to proceed at once with that rather elaborate program. At that time we were confronted by a demand of the Salvation Army or a request for assistance to them to build a home in Corner Brook. We were negotiating with the Bishop of St. George's and Corner Brook, Bishop O'Reilly for the starting of a home at Stephenville Crossing. We were negotiating with his Excellency, the Bishop of Grand Falls and Harbour Grace, at Grand Falls for putting up one at Grand Falls. We dropped all of those negotiations because of the tight money situation. We just did not feel at this particular time that we could go in for that, if it meant our borrowing money. So we dropped it.

Now something new has appeared on the scene. This committee in Corner Brook have made arrangements with Central Mortgage and Housing Corporation at Ottawa for the money they need to build an old people's home at Corner Brook. And around the very same time, Mr. Andrew Crosbie has made arrangements, also with Central Mortgage and Housing Corporation, to obtain the funds he needs to build a number of old peoples homes. So all of a sudden, where there was scarcity, the scarcity gives way to plenty, and we now can get more homes for the aged than we had thought of before.

But, Sir, there is a conflict of ideas. I should have thought, that the ideal situation for an old peoples home is a situation in which the relatives can visit the old people regularly and for the old people to have their relatives visit them. That this would be pleasant for the relatives, so they could find it easy to visit the old people, and pleasant for the old people to have their relatives visit them. I should have thought that. I did think that. That was my belief.

AN HON. MEMBER: Inaudible

MR. SMALLWOOD: That is right, that is exactly right what the hon. member says, that is the belief that I had. And I had that belief until very recently. I am not sure that I have that belief now. I am told that when old people, elderly people, go to live in a modern home, with all kinds of facilities in that home, that is to say, when they go to live in a home that has been erected

MR. SMALLWOOD: designed and erected for them, they find in it a kind of life, a kind of activity, a kind of company, a catering to them, an effort to make their lives easy and pleasant and congenial, that makes them like living in those places. So much so, that after a while they make the new friends with people of their own age, with their own tastes, generally speaking, the taste that come with age, I suppose, the taste that come in common with people of the same age living together in the same place, to such an extent that gradually they do not care whether their relatives come or not. And in some cases, to the point where they would almost prefer that the relatives did not come. That sounds strange, it sounds hard to believe.

But, there are homes for aged people all over the world. They are all up and down the United States. Fraternal societies build homes for the aged. I have been in the Masonic Home in Windsor, Nova Scotia, and there are others all up and down the continent. And then there are commercial ones, all up and down the United States, retirement homes where people retire to live. And it is developing, as a fact, that elderly people who live in them make new lives of their own, which younger people would not dream of making, would not be interested in making. They begin a new life. They make new friends, new companionships, get to have mutual understandings among themselves to the extent that they no longer depend, they no longer yearn and pine for their own original homes.

Now if that is true, I do not know whether it is true or not, I suspect that there is a lot of truth in it, if that is so, if that is so, then obviously the thing in Newfoundland would be, if that is so now, the thing would be in Newfoundland to have a number, I do not cavil at this small-minded stuff about central, western, northern, southern, south eastern, south western, or any nonsense like that. You put up a number of them, Nothing is more obvious than that one should be on the Burin Peninsula, to serve the entire south west coast, but I certainly do not for a moment imagine two or three dotted up that long great coast. I do not imagine that for a moment. I can imagine a magnificent one, a fine institution on the Burin Peninsula that would serve the west side of Placentia Bay, and the

MR. SMALLWOOD: whole of the Burin Peninsula itself, and Fortune Bay, Hermitage Bay, and Bay d'Espoir, and a part at least of the great coast up beyond Bay d'Espoir. I can imagine a fine institution on the Burin Peninsula. I can imagine a fine one in Grand Falls serving Central Newfoundland. I can imagine a fine one in Corner Brook. I do not picture them dotted down that great coast. I do not.

You must have the medical services, you must have the nursing services and you must have specialized services. Now this plan of Mr. Crosbie's is a three building complex, each institution would consist of three buildings, the height of it can vary, depending on the size of the area that they are to serve. If they are to serve a relatively small area, there would not be as many stories. But there are three buildings; one building contains those people who are ambulatory, who can get up and make up their own beds maybe, and by the way that principle is followed, get them to do as much as possible of their own work, cleaning up their own rooms, mopping up their own floors, making up their own beds, not doing their own washing. And in some cases, as in the Pentecostal Home that I visited in Clarke's Beach, I know more about that, than I do about any other because I was in it. There two old ladies will have a double room, one of which is a sort of combine sitting room, kitchen, and the other is a bedroom, and they will do their own cooking. All there is in that home will go to a common-room, and eat like in a restaurant, exactly as in a restaurant. There are not long tables like in a boarding house. They are little round tables, four persons to a table, they go in as in a cafe, as in a restaurant, and they sit down and they have a meal and waitresses serve on them. But the modern ideas is to give these old people as much as possible to do, so that they do not become bored.

And in one of the buildings you have the ambulatory, elderly people, who are relatively active. And then you have a second one which is for the non-ambulatory, (what is the word)

AN HON. MEMBER: Bed ridden.

MR. SMALLWOOD: No, that is the third one. The second one, the one in the

MR. SMALLWOOD: middle, contains the hospital part and the nursing part of this complex of the three, that is there, and it is also for patients who are more or less bed ridden or more or less nonambulatory. The third building is for patients who are definitely, you know, out. If you know what I mean, Mr. Chairman.

AN HON. MEMBER: Incurable.

MR. SMALLWOOD: Incurable, helpless, they are there in that building to themselves.

So you have the three kinds of elderly people there in that complex, the middle building being the one where the semi-invalid, the semi-nonambulatory where people live. And also the hospital for the other two buildings as well. Now that is the complex. I do not know what it runs to - it must run to several millions of dollars. And Mr. Crosbie is making positive plans for that kind of home. And it seems to me, and I am only one person, and I can very well be wrong, but it does seem to me that it makes sense to have two or three or four of those in this Province able to house a couple or three thousand elderly people. That makes sense more than does the idea of dotting little ones about the Province.

However, Sir, the Government are looking at this very carefully, we want to do the right thing. Why would we want to do the wrong thing? We want to do the right thing. It is not going to cost the Newfoundland Government now anything to build these complexes, Central Mortgage will finance Mr. Crosbie's company or finance this church group in Corner Brook or finance the Bishop of Grand Falls, or more or less finance anyone. What the Newfoundland Government have got to do, and this is our only part in it, is to provide patients, provide guests, you see and guarantee occupancy of ninety percent or more. And then in addition to guaranteeing occupancy, guarantee a subsidy on each elderly guest, so that there will be enough money taken in, in each of these homes, to enable the builders of it, and the operators of it to pay off the debt, to pay off the loan that they have borrowed. Because it is they who will do the borrowing.

We are anxious for this to be done, we do not want it to be done so rapidly, that we are going to be suddenly presenting this House with a

MR. SMALLWOOD: bill next year or the year after for a huge amount of money to pay the subsidy, because they have got to be subsidized. The money that the patients will pay, they will pay mostly out of their old age pension. And if it is one person that pension is what? \$110 a month. You cannot do it for that. You cannot put up the building and equip it, and run it after it is up with the patients in it, you cannot do that for a \$100 odd a month, so the difference between what they will pay and what - and they do not pay the full \$108 or \$110, they are allowed pocket money, so they pay, I think, about \$90, and the difference between \$90, and what the Government of Canada pays them is their pocket money. So at \$90 say, I think it is \$90.

MR. NEARY: They are allowed to keep \$15.00.

MR. SMALLWOOD: They are allowed to keep \$15.00, is it? That is probably \$90 or \$95. Right. For that money you cannot build a building and amortize it, pay the interest on it, pay off the principal, and at the same time while you are doing that, pay the running expenses. So it is going to take more than that.

Our home, the Hoyles Home, is costing us how much a patient? Two or three hundred dollars a month. An nonambulatory is \$400 or \$500 a month. Now that place is a very expensive place to run, it is terribly posh and terribly good in every way, not a bit too good, but a bit too expensive.

AN HON. MEMBER: \$370.

MR. SMALLWOOD: \$370 is some high figure, and the \$90 that the old person pays is not -

MR. NEARY: It is \$14.70 a day for ambulatory patients, and \$19.70 a day for bed ridden patients.

MR. SMALLWOOD: \$19.70 a day, 365 days a year is what it is costing the Newfoundland Government for nonambulatory guests -

AN HON. MEMBER: It is well over \$500.

MR. SMALLWOOD: Nearly \$600 a month, and \$90 a month will not go too far toward that, so we do not want to go too fast on this thing, Mr. Chairman, or we will be coming in here next year or the year after, I will be coming in, if I am Acting Minister of Finance, say five or six or eight years from now, I will be coming in asking the House to vote us \$5 million or \$6 million or \$8 million, some huge sum of money to pay the subsidy on these elderly people.

MR. SMALLWOOD: And there are certain things that we can afford, and certain things we cannot afford.

Now I do not know if we can add anything to this brief statement that I have made. Yet, I hope I have thrown some light on it, and I hope I have convinced the committee, that this matter is very much on our minds. It is very, very much on our minds indeed.

MR. WELLS: Mr. Chairman, one more thing that I want to say in accommodation of that group in Corner Brook, the committee should bear in mind and so should the Government that this is an endeavour undertaken by a group with an ecumenical spirit, that we have not seen too much of in this Province, and this is the kind of role that the church can properly play in society, one of the roles that they can certainly fulfill. This is a golden opportunity, I think, Sir, to set a precedent. It is not going to involve any initial capital on the part of the Government. I do not know whether that figure that the minister quoted includes the amortization of the initial capital cost on the Hoyles Home or not. If it does not it is incredible. It must include the amortization. It must, if it does not - Mr. Chairman, maybe it does not, if it does not then one wonders the Government is stopping to take the second look at it. They have wasted all of our money now, and have gotten only one Hoyles Home out of it. If those are the actual operating costs, they are incredible, nearly \$600 a month in one case for the nursing care patients and about \$450 for the ambulatory people. Awful. This group in Corner Brook are not asking for anything like this. They are not asking for any initial grants or anything, as I believe, all of those other homes did have, did they not? They all had some initial capital grant from the Government. That is right. And they borrowed the remainder from CMHC with the Government guarantees and now the Government does subsidizing. I cannot for the life of me understand this hesitancy. I would agree that it is not desirable to dot these all over the place, but it is desirable to have them within reasonable commuting distance. Regionalized, with reasonable commuting distance. Obviously the Burin Peninsula is a good location for one. Corner Brook is another one. There should be one in the Bay St. George area to serve that

MR. WELLS: area, and there should certainly be one down toward St. Anthony, because that is a long, long ways away. And the need will come, I assume reasonably soon for a couple in the Labrador area to serve that area. The need there is not as acute there at the moment, I would not imagine it to be so. There is no reason, Mr. Chairman, for this hesitancy and for this delay, because we have been without the service so long, these people are prepared to do it, the churches have gotten together and worked on this for over a year now, and all it takes is this kind of assistance. And it does not I am quite certain on the information that I have, cost anywhere near the \$450 or \$600 a month that the Hoyles Home is costing. So what is the reason for the delay? Are they afraid that we are going to bring in a big bill into the House. It is about time we gave some service to some other parts of this Province.

MR. A. MURPHY: Mr. Chairman, there is just one question that I would like to ask on this - and that is when the Premier referred to the contribution of \$95 a month from guests at these homes. And I think we can all go back a few months and remember the great uproar that was aroused, when the Government announced its rates for Hoyles Home. I just wonder if the minister could tell us, certainly heavens we are not down, that is not the average, it must be much higher than that, that these people are paying on the overall?

MR. WELLS: Some people are paying the economic rates. Some other people are paying over \$500 a month, they are paying the full amount.

MR. MURPHY: Well what is the average? There are only three paying \$500 a month, and the rest are just paying their old age pension, less \$15.

MR. P. CANNING: Mr. Chairman, I agree wholly and solely with the hon. member for Burin. From this view point of taking the older people out of their own environment, I do not think the demand from our area, the Burin Peninsula, is too great and we have not too great a number here. I am quite familiar with the homes. I visit the homes quite often. At the same time, to me to go down to either one of those homes and talk to a fisherman, go in and have a chat with him and try to cheer him up, I find that I have not to talk about anything around here, about what is going on up at the House of Assembly. He is not interested in it. He wants to know

June 8, 1970

Tape 1162

PK-8

when the caplin came in or how much fish they got in Lawn or what is happening down in Placentia Bay. Sometimes, as the Premier said

MR SMALLWOOD: Do they not want to hear about the deathless oratory here in this House, a day to day account of the oratory, do they not want that?

MR CANNING: They are not the least bit interested. They do not want to hear it.

MR SMALLWOOD: How disappointing! This is very offensive!

MR CANNING: They want to know when the traps are out - that is the life they have led. That is No.1.

MR. CANNING:

and if some of them were still in their health they would not be caught dead in St. John's. They would stay up on the Burin Peninsula as that is where they want to be, one of the best places in Newfoundland. That is the environmental part of changing and then, of course, secondly is the visiting. I myself have had the experience some years ago of bringing a fine old gentleman from Spanish Room / whose only daughter had a large family and could not afford to travel. He was here in town and I took him out to the Goulds and brought him to the home in the Goulds. I think it was one of the saddest things I ever did in my life was to take a man out of his own home and bring him to the Goulds. He had never seen the Goulds before and he knew nobody out there and I would say that that man did not see two people from the Burin Peninsula from that day until he died two or three years afterwards. I think he must have led a very sad, lonely life.

But if we should, we are entitled to a home on the Burin Peninsula to build them, for the producers up there, and I am sure the whole Peninsula will co-operate in any efforts the people have to make or the churches have to make. Sometimes it does get on my nerves when I hear this line of St. John's, Gander, Grand Falls and Corner Brook especially from the member for Humber East but I think that is what he sees, that line and then I begin to think to myself that nobody has mentioned the Burin Peninsula or South West Coast and that is the greatest producing area in Newfoundland. I think that if it does not continue to produce I do not think Newfoundland can grow so I hope we will get every consideration and if we do not you will be hearing from me again.

MR. NEARY: Mr. Chairman, if I may get in on the act, I think the Premier pretty well outlined our position probably far better than I could do it. But I do want to say this in order to get our priority straight we are now carrying out intensive research on this whole matter of homes for senior citizens right across the Province. We only have general information in my Department and we want to work out a master plan for a senior citizens homes right across Newfoundland including the Burin Peninsula if the need is there.

But, Mr. Chairman, the other day when my colleague, the Minister of Health, was piloting his estimates through the House he mentioned a problem of

MR. NEARY:

deep concern to both his Department and to the Department of Social Services and Rehabilitation and that is accommodations for several hundred mentally retarded adults and other disadvantaged adults right across the Province. In my opinion, Sir, this is where the need is because at the present time when relatives, friends and clergymen and even members of the House of Assembly approach my Department or my colleague's Department, the Minister of Health, to look for accommodations for an adult who through either physical or mental handicap is unable to fend for himself then our only recourse is to suggest that that person be accommodated in the Hospital for Mental and Nervous Diseases.

Now, Sir, in my opinion that institution was never intended for patients requiring this kind of care but consequently, Mr. Chairman, I would think that the ability for the Mental Hospital to rehabilitate those who are curable would be seriously handicapped. Now to solve this problem my colleague, the Minister of Health, and myself have entered into discussions and we hope that over the next few weeks we could work out a satisfactory arrangement to both Departments to take care of this problem and I think, Mr. Chairman, this is our number one priority. In the meantime we will work out the master plan for homes for -

MR. WELLS: Sure, this has been going on for years and years and still nothing has been done -

MR. SMALLWOOD: This is definitely not so.

MR. NEARY: I might also point out, Mr. Chairman, that apart from the homes -

MR. WELLS: It has been so up to this point.

MR. SMALLWOOD: Well, maybe but it is not so from this point on. They are ready to go.

MR. WELLS: They are ready to go now.

MR. SMALLWOOD: You know that they are ready to go, they are eager to go, anxious to go but a week or two will not make all that much difference.

MR. WELLS: They have been waiting for months.

MR. SMALLWOOD: Yes, but another week or two will not make that much difference.

MR. NEARY: Mr. Chairman, I was about to point out that apart from the voluntary

MR. NEARY:

or charitable organizations that operate homes that the Premier mentioned in conjunction with our Hoyles Home we also have twenty-one privately owned homes where we have a total of 301 people accommodated and these homes are scattered in various communities pretty well around the Avalon Peninsula, I think.

MR. HICKMAN: Are they subject to inspection?

MR. NEARY: They are, they are supervised by the Department of Social Services and Rehabilitation -

MR. SMALLWOOD: And for fire too.

MR. NEARY: Yes, for fire and I might say, Mr. Chairman, that they are doing an extremely good job and I do not know what we would do without them at the present time.

MR. CHAIRMAN: Shall the Item carry?

MR. COLLINS: Mr. Chairman, before we carry the item. I do not know what has been said on this debate so far and I will probably be repeating some of the things that have been said -

MR. SMALLWOOD: If the hon. gentleman does that he will be the first in this House to repeat anything that has already been said.

MR. COLLINS: I feel sorry about that, Mr. Chairman, but that is so and there is not much I can do about it because I am in the unfortunate position of not knowing what has been said already. I will say this that on several occasions in this hon. House since I have been here I have stressed the importance for homes for our senior citizens and the need for erecting those homes in areas where the aged can go into them and still remain in close proximity, as close as possible to their place of abode when they were growing up and where their families are and their relatives and friends and so on. I believe this is a very important consideration because taking an old person from some small cove around Newfoundland and bringing to the Hoyles Home here in St. John's and anyone coming from an outport can readily appreciate what those poor people are up against. I would that while it might mean a lot for their comfort for a while, in a great many cases, Mr. Chairman, it might hasten their departure from this earth.

MR. COLLINS:

I cannot help but recall the Premier's promise in the Federal election campaign when we were going to have homes for the aged in Gander, Grand Falls, and Corner Brook. They were to be going up next week or two weeks time and that was a couple of years ago and now we hear the Premier making the same statement that another week or two weeks will not make that much difference. But certainly, Sir, it is a very pressing problem facing our old people and I was moved a little while ago when the Minister for Supply and Services made a very impassioned plea on behalf of the old people. It is something we have to take into consideration very seriously because there are a lot of old people around Newfoundland whose daughters or sons or whatever it might be are not prepared to look after them in their later years. In some cases young married people do not have the facilities and the space to look after old people. It is a real problem and certainly one which this Government must face up to and I think it is only fair to say, Mr. Chairman, that the Government really has not faced up to the problem so far and in time.

I have had several discussions with the Minister of Social Services and Rehabilitation concerning our elder citizens and also our handicapped children and in all of those there are some pitiful cases across Newfoundland. I am sure that the Minister would want to do what he can but we are certainly only scratching the surface. I have some fear, Mr. Chairman, from what I have heard recently that the Minister is negotiating with different churches, all of the churches presumably, in an endeavour to have the churches become involved and certainly that is a step in the right direction because the churches certainly have a place to play in this type of social work. But I would hate to see the time arrive, Mr. Chairman, when with the church involvement as we have the church involvement in education, when this Government could be in a position to take the position, if you will, that further needs is the responsibility of the churches and everything that might be wrong with our homes for the aged try to shift the blame, as it were, and the responsibility over to the churches. I am sure that the churches will not fall for this or at least I hope they would not. It is a good idea to get them involved but certainly if we are going to get them involved I think we are required to back

MR. COLLINS:

them to the limit, to the hilt so that they in their wisdom can perform a service probably better than the Government could perform. But certainly let us not reach the stage where in a few years time because of lack of facilities across the island some members of this Government will stand in this hon. House and say that that is the responsibility of the churches. I think that would be a terrible mistake and I am hopeful that the Government are not moving in that direction.

I am sorry as I said that I did not hear the debate so far but I would be interested in knowing what plans the Minister has this year for new homes across the Province and certainly what plans he has for Gander because after all that has a special place in my heart and also what he has in mind for Lewisporte and Botwood and other areas?

MR. NEARY: Mr. Chairman, we spent the last three quarters of an hour discussing that very topic and so the only thing that I can say to the hon. member for Gander is that we are researching this whole problem now of senior citizens homes right across the whole Island and in Labrador and working out a master plan. The Premier, at some length, pretty well outlined what our position is at the moment and I cannot add anything to it, Mr. Chairman, except to say to the hon. member that I agree with him that our old people sometimes, senior citizens, we pay attention to them at certain times of the year and then other times we forget that they are around.

With all due respect, Mr. Chairman, and we do appreciate the entertainment that is provided at the Hoyles Home and the other homes around St. John's and you cannot book in the entertainment fast enough at Christmas time. We appreciate this very much but I think that the organizations that look after the entertainment and so forth forget that these people are there all year around.

MR. CHAIRMAN: Shall the Item carry? Carried. Shall (08) carry? Carried.

MR. CROSBIE: What is this, Mr. Chairman?

MR. NEARY: Mr. Chairman, this is admissions that are arranged by the Social Services Department of the Mental Hospital and the payments have to be approved by my Department. At the moment there are twenty-nine homes, these are private

MR. NEARY:

homes, of this type and the number of persons involved is 159.

MR. CROSBIE: I mean these are people who have no home to go back to or something?

MR. NEARY: Yes, pretty well.

MR. CROSBIE: Who have been treated in the Mental Hospital?

MR. NEARY: Yes, that is right.

MR. CHAIRMAN: Shall the Item carry? Carried. Shall (09) carry?

MR. CROSBIE: On (09), I do not know if this is the appropriate place but it is still under homes. But homes for welfare officers, what vote does that come under, is that this vote here?

MR. NEARY: No, Mr. Chairman, this vote here is the CNIB Hostel's vote in Corner Brook, and St. John's, Devon House and the Orange Home.

MR. CROSBIE: Where does the welfare officers residences come under?

MR. NEARY: Further on, I think, but we will deal with it when we come to it.

MR. CHAIRMAN: Shall the Item carry? Carried. Shall 1132(01) carry? Carried. Shall (02)(01) carry?

MR. HICKMAN: On (02), Mr. Chairman, I do not know if this is the proper heading or not but I suspect it is. I would like to direct the Minister's attention to the fact that quite some time ago now, February 1969 or shortly thereafter, there was a very good report prepared by Dr. Raymond Gushue and Mr. David Day on Family Law Study on the question of adoption. That report was tabled in this hon. House about a year ago or more and it is not a far-reaching report. It does not condemn out of hand the adoption procedures that are presently being followed in Newfoundland but it does make certain recommendations and recommendations that would eliminate some confusion in existing legislation. It deals as well with the question of voluntary adoption of children and so I understand that under our present legislation there can be no voluntary adoption of a child without the prior consent, or private adoption is the phrase that is used, without the prior consent of the Director of Child Welfare.

From reading the report it would appear that this is somewhat peculiar and somewhat restrictive to the Province of Newfoundland. The recommendation

MR. HICKMAN:

was that private adoptions should not be completely prohibited by the Newfoundland Act and they recommended that there be an amendment to allow limited third party proceedings and to permit private adoptions. From time to time I am sure, Mr. Chairman, you have run into it in the practise of law where a relative leaves a child with a brother or a sister and that child becomes part of the family and then seven or eight years later, I can think of a case now ten years later, because the natural mother or legitimate mother of the child had a falling out with her in-law she goes and takes this child away which she has a perfect right to do because there is no formal adoption. The child does not understand what it is all about and children in this sort of circumstance have no idea, they do not know the fine distinction between the natural parents and the so called privately adopted parents.

In other jurisdictions there is provision where this type of private adoption is done, not wholesale now but the Department of Welfare or the appropriate department in other jurisdictions in England, I have forgotten the name of the Department, has the right to go in if they sees fit to take a look and see if this is working but this can be effected without going through the torturous procedure of the normal adoption. Our procedures on adoption are not that archaic and by large they are pretty good. The adoption of the children of unwed mothers where the mother wants to see that the child is adopted, I believe the only problem at this time is that we cannot find or the Minister cannot find sufficient homes to take care of all of these children who are awaiting adoption and these procedures are pretty good.

But that report which as I say is not revolutionary but does make recommendations that would tidy up the Legislation and it also deals with the other rather delicate subject by way of appendix on the religious upbringing in matters of adoption, guardianship and custody. I think this Committee would agree and I would hope that hon. members would agree that in the main the religious consideration must be of paramount importance but on occasions and I am sure the Minister is aware of these children have been deprived of adoption by first-class parents because of a rigid adherence to this rule and it would be most unfortunate if those responsible for adopting procedures and

MR. HICKMAN:

placing children out for adoption would ever put the wishes of people ahead of what is in the best interest of the child.

Now these reports, this family law study which has now been completed and which the House was told some weeks ago in answer to a question has cost the Province approximately \$70,000. and I realize that any reports of Royal Commissions or any other commissions are not binding, these reports are not binding on Government. But this family law study and family law very properly falls under the jurisdiction of the Minister of Social Services and Rehabilitation in the main except the family court and a lot of these reports and they were done separately by heading contains first-class recommendations and we have not seen any indication of the implementation of any of the recommendations of the family law study by Dr. Gushue other than project one and we did not need project one to do that anyway. That was the one on the conferring of jurisdiction for a divorce on the Supreme Court of Newfoundland. The other six, we have miserably failed in the obligation to implement project two which was a necessary follow-up of project one, the implementation of divorce jurisdiction and I would hope that the hon. Minister of Welfare agrees on it. I believe there is some interdepartmental dispute as to whether family counselling should come under Justice or Welfare but which ever Department it should come under the tragedy is that that report and that provision for family counselling has fallen between two stools.

AN HON. MEMBER: (Inaudible).

MR. HICKMAN: Well, I believe that the Department of Justice more properly can administer that because it is part of a divorce law. But the simple fact is that we have at the request of the Lieutenant Governor in Council, following a unanimous resolution of this House divorce jurisdiction was conferred on the Supreme Court of Newfoundland and the divorce law provides that in every case the presiding judge must see fit any hope of reconciliation and where there is any hope at all he must refer the petitioners and the other parties or respondents to marriage counselors. But in this Province we have no marriage counsellor. We have no control or provision for marriage counsellors and this was set forth in great detail. And that project, project number two,

MR. HICKMAN:

Mr. Chairman, I believe would have put this Province out in front in so far as law reform is concerned in that particular field of human relations and family relations. But we are dragging our heels, the Legislation has been drafted, it has been drafted now for nearly a year and it is ready for presentation to this House but apparently it is not coming before the House.

Now the same with this project on adoption and I am sure that there is nothing controversial in project three. It is simply the tidying up of existing Legislation and asking that adopting procedures comply with 1970 thinking rather than 1900 thinking. Again we had a very good paper, a very good project and good recommendations on the new Solemnization. Of Marriage Act, and the Speech from the Throne said that act was going to be brought in, brought before this session of the Legislature. And now as we believe this Legislature is coming towards its closing days we find again that nothing has been done and no notice has been given of this Bill. What is the point of having comprehensive studies done on the Social Services and the Welfare Services and the family life in the Province and when you have them done they all go into the wastepaper basket at a cost of \$70,000. to this Province.

I would like some indication from the hon. the Minister as to whether the project dealing with adoptions (and the final report has been tabled in this House since February 1969, a year and a-half ago almost) will be implemented and whether it commends itself to the Minister and if not, why not?

MR. NEARY: Mr. Chairman, there are some good sections in this report but first of all I may point out that this branch of our Department does not only deal with adoptions. It is the child protection and care services we provide, services to families and children in their own homes, the care of neglected and dependent children in foster homes, boarding homes, institutions and adoptions services to unmarried mothers and their children and the education and maintenance of handicapped children and delinquency services. So you can see that this is a very wide ranging branch of my Department, Mr. Chairman, of which adoptions is just only one function. But I have been looking at the study on family law and I must say that I found it very interesting. There are some things in there that we have under consideration at the moment -

MR. NEARY: I am inclined to agree with the hon. member, that there is a little bit of a bottle neck caused by denominational barriers, although the hon. member who is a former minister of Justice, probably realizes more than I, Mr. Chairman, that the law regarding adoptions is very vague on the matter of denominational barriers. And really the responsibility of approving or disapproving an adoption is in the hands of the court. We carried out a recent - or I am in the process now Mr. Chairman, of carrying out a survey of all the heads of the denominations on this matter, and I have four returns back out of five. And there does seem to be a softening of their attitude in favour of a more ecumenical outlook. I might say for the interest of the Committee Mr. Chairman, that for the second time in two years, the number of children available for adoption has dipped below the five hundred mark. It is very encouraging to me to see our adoption program - finding parents for so many of our provincial wards with the help of the churches.

There is one new innovation Mr. Chairman, that the Committee members may be interested in and this is now that we are getting applications as a result of our children's crusade on Adoption Sunday. We are getting applications from some of the other Provinces of Canada, especially in the Western Provinces. And my director of Child Welfare is at present working towards a co-operative agreement with his counterparts on the Mainland, to find suitable homes for some of these provincial wards there. The total number of children in our care at the moment Mr. Chairman, is 2,214. And the total number of foster homes that we have at the moment is 686. 2,214 children Mr. Chairman, is a king size family. We are doing the best we can to look after them under the circumstances. And I want to assure the hon. member who just sat down that we are examining very carefully now, these denominational barriers to adoptions - and I am hoping that in the foreseeable future that we may be able to - actually I think what the denominations are leaning towards now is that to remove the barrier, generally speaking for children of three years and under. After three years Mr. Chairman, there could be an emotional problem, and you have to be a little more careful. So four out five of the returns

that I have back so far indicate that they would be prepared to remove the barrier for children three years and under. I do not know if that answers the hon. member's question.

MR. ABBOTT: Mr. Chairman, there are one or two observations that I should like to make. I note the minister informs the Committee that the matter of adoption rests with the Court. Now that is quite true. But the placement I am thinking of - the placement which takes place prior to the adoption. I understand that placement officers will in nearly every case make sure of the religious persuasion. The child is placed in the home of the same religion. Well that being so, I cannot see how the Court, the presiding magistrate has very much to do with it, but if a child of a different communion is placed in a home, then of course, the placement officers - it rests with the placement officers and not with the Court. I think the minister will agree that the welfare officials, or the placement officers, we will call them, have most to say as to where the child should be placed. And very often we find that after a year or so, that the presiding magistrate who makes the order, the adoption order, will go along with the report given to court by the placement officer. So, as I see it, it is a matter of the information supplied to the presiding magistrate, as to where that child is to be adopted.

Now I am wondering if the minister is aware of the fact - I discovered during the past week, that two or three children were placed in homes for adoption, and their pictures appeared in the Newfoundland Bulletin a month afterwards, as being up for adoption. Now it may have been an error. It was an error, otherwise it would not have appeared, and it created a bit of embarrassment for the adoptors. That is rather unfortunate, but I suppose with so many being adopted, so many pictures appearing, that is quite probable. There is another point that I should like to make, and that is in connection with the unmarried mothers. I think I heard a report where the minister did say that that number has increased considerably in 1970.

I am wondering how many affiliations, court affiliations, are being made today on putative fathers. I am told that very few affiliation cases are heard in Court today. Very often they sign an agreement, the putative father signs an agreement with the mother, as to the support of the child, and in a great many cases, these agreements are not worth the paper they are written on, because they are violated right and left. I have experienced some of them. And this is going on, and it is only making a joke of the whole thing. And a lot of fathers, or putative fathers are not sharing any responsibility whatever for the children. And that is wrong, after all, why should the State be saddled with such an expenditure, when the father is allowed to go scott free. I think the whole thing, now it may cost more for the department in tracking down some of these fathers, after the order has been made, it may cost more than really the money they are going to collect from them. But you can always levy on the earnings, as the minister readily knows. And I think myself that ^{THIS} thing can get out of hand.

MR. NEARY: With all due respect to the hon. gentleman, I cannot agree that it is not the Court who has the final say in handing down the adoption order. We have actually - I think this was before my time - in the department recommended a child, and the magistrate threw it out of court, because the child was not the same religious persuasion as the prospective parents. We have actually had cases thrown out of court. The child was not placed -

MR. ABBOTT: Not placed? How could it come up for adoption if it was not placed? It has to be placed twelve months before the adoption order -

MR. NEARY: Yes - So the final decision, and I think the hon. member will agree with this, rests with the Court. There is nothing in the Adoption of Children Act that says that we cannot place - my department, my placement officers could not recommend a child by cutting across denominational lines. But it is the Court who has the final say, and we have actually over the last few years, had cases thrown out of Court because of religious differences.

To answer the other question that the hon. member raised - In 1969-70, there were 100 affiliation agreements and twenty-two court orders. I might say Mr. Chairman, that the number of children coming to us now available for adoption has been consistently about thirty a month for the past two years. The thing that concerns me about this is that there is an ever-increasing number of boys who are remaining as charges of this department.

Now I do not know why the preference for girls, but it appears to be a sign of the times Sir, because not so many years ago, I believe that boys would have been in much greater demand because of their usefulness and so on. But now Mr. Chairman, this may be of some interest to the Committee, when parents come to us to adopt a child, they prefer girls - maybe it is for sentimental reasons, I do not know.

MR. MURPHY: Transportation for foster children. Would this be transportation into St. John's -

MR. NEARY: Yes Mr. Chairman, these are orders which are issued by the welfare offices for travelling to and from foster homes. Travelling to obtain hospital or medical care and school transportation.

MR. MURPHY: The Children's Home - could we have just a word on this from the minister, Mr. Chairman, may I ask?

MR. NEARY: As members of the Committee are aware Mr. Chairman, the Children's Home is located presently in the former Merchant Navy Hospital on Water Street West. It has been there since 1965. It has accommodation for eighty-five severely retarded or physically handicapped children. It is estimated Mr. Chairman, that there are well over 200 additional children who urgently need this type of institutional care. And as members of the Committee know, my department entered into an agreement with the Anglican Orphanage Corporation, to take over Exon House for a nominal fee, and we are in the process of making the structural renovations, and we hope that by midsummer that we will be able to start admitting children. The Home will accommodate about 120 additional children, but we will also operate the existing Home on Water Street West.

MR. MURPHY: Eighty-five the hon. minister said at Water Street?

MR. NEARY: Eighty-five severely retarded, physically handicapped children, yes. They are more or less vegetables. The only explanation that I can give for the decrease here is our inability to recruit properly trained staff. Primarily I think, trained nursing assistants. We are making changes all the time, and this is why it is probably down -

MR. COLLINS: With the opening of Exon House, would the minister indicate to the Committee what the waiting list will be across the Province then - the total waiting list? Obviously the Exon House cannot take care of all of the cases which we have in Newfoundland.

MR. NEARY: Well Exon House will do two things Mr. Chairman. It will take the pressure off, and it will also give us an opportunity to separate the children. There may be some trainables you see that need to be separated from the other children and we will have training facilities there, and it will take the pressure off - I could not say - I could only make a guess Mr. Chairman. I would think probably there are a couple of hundred severely mentally retarded and physically handicapped children right across the Province.

MR. COLLINS: That is outside institutions now -

MR. NEARY: No. These are in private homes, most of them now. And so we are in conjunction with the Department of Health now working on our list of priority, when we start admitting the children to Exon House.

MR. COLLINS: Mr. Chairman, in the case of provisions - are tenders called at all times for those services?

MR. NEARY: Yes Mr. Chairman, as far as I know, tenders are called. These provisions are supplied to my department through the Department of Services and Supply. We do not do any buying in our department at all.

MR. MURPHY: Is this the total cost of alterations to Exon House Mr. Chairman?

MR. NEARY: No, this is not the total cost Mr. Chairman, because the hon. Leader of the Opposition may recall there was some money in last year's Estimates. We did do some work before the fiscal year ended.

MR. MURPHY: Does ^{this} cover just Boys' Home and Training School? Does this

include Whitbourne which I presume we are talking about, and also the one at Pleasantville?

MR. NEARY: Yes Mr. Chairman, these are the Homes at Pleasantville and Whitbourne.

MR. MURPHY: This Clothing may I ask Mr. Chairman at this point - these are not institutional uniforms - this is just ordinary clothing. They do not wear institutional clothing.

MR. NEARY: No, Mr. Chairman, they wear normal clothes.

MR. MURPHY: On Farm Equipment - Are they still carrying on farming?

MR. NEARY: Yes Mr. Chairman, we are still carrying on farming out there, and maybe the hon. Leader of the Opposition will remember in the Newfoundland Bulletin last Fall, we showed pictures of the cabbage and turnip that were grown at the farm down there last year, which was probably the biggest cabbage and turnips that I have ever seen in my life, and he might have seen the minister standing in the middle of the cabbage patch -

MR. MURPHY: Yes, I tried to distinguish which is which.

MR. MURPHY: On 05 - What construction is contemplated and where?

MR. NEARY: This is to complete

MR. NEARY: The alterations to another building at Pleasantville Mr. Chairman, that we are turning into a Gymnasium - actually when we complete this building, it will give us more sleeping space at the old Home, because we are going to move the administrative part of the Home and the kitchen and recreation in this new building, and we will use the old building exclusively for sleeping quarters. It started last year - this is just the completion. This Girls' Home and Training School Mr. Chairman, is located on Waterford Bridge Road. The capacity is eighteen girls. It is owned by the Government and operated by my department. It was first opened in September 1947. And the type of girls that we have there are those who are in need of protection, emotionally disturbed and mentally retarded girls.

MR. MURPHY: School for the Deaf - this is a very interesting item here I think, and we have come a long ways within recent months and years with it. I believe it is still situated at Torbay. Perhaps the minister might give us just an idea of what is happening there. How many children are there, and how many teachers, and just what - how far advanced we are with the new methods of teaching?

MR. NEARY: Well we have all the latest techniques for teaching down there Mr. Chairman. And some trained staff and there are others going off to Boston this summer to complete their training. At the moment, or in the '69 - '70 school year, there were 103 living in, and we have 132 children enrolled. The capacity of the dormitory is 120 and the capacity of the classrooms is 150. The services provided Sir, include tuition, room and board, without charge, and transportation for children whose parents are unable to pay. And incidentally I might say, a new innovation here too this year Mr. Chairman, in addition to the academic program that we are carrying on at Torbay. This year we were able to open a pre-school for deaf kids down at the former Anglican school at Virginia Waters.

MR. MURPHY: What age now will you accept them - age four, five?

MR. NEARY: I believe that - I think we take kids down at the school for deaf at Torbay at age five. Over five. You have to have passed your fifth

birthday.

MR. CROSBIE: Mr. Chairman, taking this bulk for welfare services, would the minister tell us - there were thirty-nine homes purchased last year from Atlantic Design Homes Limited. At least thirty-nine of them were supposed to be for the use I believe of the Department of Health and the Department of Welfare, to house doctors or welfare officers. Could the minister tell us how many of these homes produced at Stephenville are now in operation - where they are located and what the total cost has been? Or if none are now in operation - or where are they to be located? How many of them are for the Department of Welfare, and where are they to be located? And what is the experience with them?

MR. NEARY: Mr. Chairman, I thought I had that list with me, but apparently I have not, but I think twenty-two of these homes were for welfare officers, and they will be located in some of the remote parts of the Province. There are some at Gander, Grand Falls, and Corner Brook. I do not know if we have a site yet for the one at Fogo Island and Englee, but these are the two houses that will get top priority. And as the hon. member knows, we subsidize the rent of welfare officers in these remote sections of the Province. And the whole matter of subsidizing, or rental subsidies, both for doctors and magistrates and welfare officers is presently undergoing a complete overhaul Mr. Chairman. So anything I might tell the hon. member now could probably change in a week or two. But I think it works now to a subsidy of around thirty dollars a month. Does that answer the question?

MR. CROSBIE: If you could show us the list.

MR. NEARY: I could get the list - where these houses are going to be placed.
03 - The department operates two motor vessels Mr. Chairman. One in Fortune Bay and one in Hermitage Bay, and one along the southwest coast from Burgeo to Channel. The boats are seventeen tons approximately and are operated the year around - each serving several welfare districts. Each boat has a crew of two. That is a captain and a cook. The names of the boats, the areas in which they operate and the dates on which they were acquired by the department, are the M.V. Petanaut, Fortune and Hermitage, which

we purchased in 1963. The M.V. WILLIAM WHITEWAY along the southwest coast, and the M.V. SUSIE AND GORDON, which operated in Placentia Bay - no I am sorry, that one was withdrawn from the service Mr. Chairman. So I think that is about all I can say on that.

MR. MURPHY: This Professional Training Mr. Chairman - are these our welfare officers -

MR. NEARY: Yes Mr. Chairman, this is for students who are working towards their Masters of Social Welfare work degree at the University. I might say for the information of the members of the Committee, that we give fifty bursaries a year to the first year students - going into the University to do Social Welfare. And in return for this bursary, they commit themselves to work for the department for two years.

MR. MURPHY: The value of the bursary?

MR. NEARY: \$400.

MR. BURGESS: I wonder if the hon. minister please if he could inform the Committee on this Northern Labrador Affairs Division, the programs that have cost sharing with the Federal Government in Items - in vote Items - which are cost sharing?

MR. NEARY: Mr. Chairman, we have, as the hon. ^{member} probably knows, a unique agreement in this Province for looking after our native population, and all the programs in the Northern Labrador communities are shareable. Ninety percent of the cost of programs operated in communities that are one hundred percent Indian are refunded to the Province, and sixty-six and two-thirds percent I believe, in communities where you have a mixture of Eskimo and settlers. So all the programs are shareable. It is a five year agreement - we extended it there a few months ago for another five years.

MR. BURGESS: Would the hon. gentleman mind informing the Committee exactly how money has been received from Ottawa on this cost-sharing basis for this year, in this Estimate for this year? Could you give me the total amount?

MR. NEARY: I will have to take that question under advisement Mr. Chairman, because I do not have that information with me, but I can get the answer to that question for the hon. member.

MR. BURGESS: The reason I am asking the hon. member this Mr. Chairman, is since 1964 the Federal Department of Indian Affairs and Northern Development - they have approved \$1 million per year for Northern Labrador because of the Indians and the Eskimos in the area mainly. And these funds have been spent mainly through the Northern Labrador Services Division in the Department of Welfare. Now Postville which has no Eskimos on the Northern Coast, it has all white settlers. And Makkovik and Hopedale are half Eskimo and half white in total population - and yet they come under this - they benefit from the monies which go for the development of the Northern Coast. Now I am asking that question because I cannot see why the people on the Southern coast could not be included in the event that Makkovik, Hopedale and other areas that are not fully Indian or Eskimo population are receiving.

MR. NEARY: Well I think the hon. member probably knows that in Postville there are some Eskimo population. Even if there is one there, then that would qualify that community for - or to be included in financial arrangement with Ottawa. But I think there are more than one in Postville.

MR. BURGESS: Yes, yes, there are. But as I say; there are no Eskimos or Indians on the Southern Coast, but despite the fact that their life in the Province are exactly the same and that they have Indian and Eskimo blood from way back, a lot of them - they still do not benefit.

MR. MURPHY: Trading Supplies - I presume this is traps or fishing equipment - I notice on the other side in Appropriations-in-Aid there is a return of \$750,000. I presume this is as a result of this \$780,000 for trading -

MR. NEARY: Yes Mr. Chairman, as hon. members probably know, we run practically these whole communities. We operate the retail stores, and so this is for supplies for sale, that is groceries, clothing, hardware etc., and we also give the people supplies for carrying on the various services such as fishery salt, gasoline, nets, fuel for power plants and the like. And the supplies are sold at cost Mr. Chairman, plus ten percent for freight, plus a mark-up of twenty percent on groceries. Twenty-five percent on hardware, and thirty percent on drygoods. The mark-up I might point out,

Mr. Chairman, is designed to cover the cost of operating the stores, exclusive of the salaries of the staff.

MR. WELLS: Well why is the appropriations-in-aid then \$750,000? It is the same amount as Trading Supply. If there is a mark-up on it, it should be that much more.

MR. NEARY: All these stores are operated as a deficit, because salaries are not taken into consideration. They are excluded.

MR. WELLS: Mr. Chairman, before we carry 03. It seems a rather small grant to the John Howard Society who do a great deal of work, and most of the work is done with prisoners and parolees in the Province. At the moment we do not have an extensive probation set-up. There are some efforts I understand, being made. But at the moment we do not have one, and most of the work that is being done - most of the work being done in Corner Brook, is being done by the John Howard Society. And recently they have become fairly active in Corner Brook. And this seems to me to be a relatively small grant to the Society for the work that they do, because they do some probation parole work, which would ordinarily be the responsibility of this department, or the Department of Justice, normally it is this department. A parole board yes, but the probation officers and so on. I was wondering what the position is with respect to the parole and probation officers?

MR. NEARY: I do not know if the hon. member was in his seat this morning when I explained what we were doing in the field of probation Mr. Chairman, but one of the major recommendations - I will just repeat what I said this morning, for his benefit. One of the major recommendations of the Atlantic Provinces Conference on Corrections, which was held here a few weeks ago, which has been supported by the John Howard Society in Newfoundland, had to do with the extension of probationary services for both adults and juveniles.

MR. WELLS: What is the Salvation Army Correction Services?

MR. NEARY: The Salvation Army look after adult probation services in the

City of St. John's only. And my hon. friend might be interested in knowing that since I became minister of this department, that I have assigned two welfare officers to do full-time probation work in the City of Corner Brook. And I am hoping now to be able to branch out into the field of adult probation.

But I might say Mr. Chairman, that although in the past our probationary services have been restricted to the St. John's area, that we have managed in the past year to post two full-time probation officers in Corner Brook, and just within the past week, I reassigned members of our present staff to do probationary duties in Gander, to take care of Central Newfoundland. And my hon. friend from the Burin Peninsula will be interested to know that I am going to reassign another full-time probation officer to the court in Grand Bank to look after the Burin Peninsula. And this is being done. Mr. Chairman, within our present budget, by making better use of our professionally qualified staff. And I do agree with the hon. member that the John Howard Society is doing an outstanding job. They have been very helpful to me since I became minister of this department. Maurice Bartlett I understand is leaving very soon to go back to the University. And I think that he will be a great loss to the Province Mr. Chairman.

MR. COLLINS: Mr. Chairman, I notice there is no grant this year on 05 - Does that mean that we are not training any social workers, that we are not taking advantage of the Maritime schools this year?

MR. NEARY: The Maritime School of Social Work - No Mr. Chairman, we have our own course now at the University, so we did not see any need for continuing this grant through the Maritime School of Social Work. As a matter of fact, I think starting September, that social welfare students going into the University after five years will be able to get their Masters degree right here in our own University.

MR. CROSBIE: Why is this so low this year, only \$100? It was \$4100 last year, Newfoundland and Labrador Association for the Aged. Was that just for a meeting?

MR. NEARY: Yes, there was a conference on, that was it, Mr. Chairman, there was a conference on and this was an additional grant. You see the grant to the Newfoundland and Labrador Association for the aging, I think, has been around \$100 down through the years. But last year they had a conference, I believe, it was held at Gander.

MR. WELLS: The conference was at Gander, yes.

MR. NEARY: And so this was an additional grant of \$4000 that we gave -

MR. COLLINS: That is the Convention Centre for the Province.

MR. CHAIRMAN: Shall 07 carry? Carried.

MR. COLLINS: Mr. Chairman, before we leave 07, I have heard some very good reports coming from the Convention which was held at Gander, and also from the Convention that was held here in St. John's. Those people seem to have some real good ideas in terms of what should be done toward housing etc. I wonder could the minister indicate to the committee, if he has met with them, if he approves of what they are doing and what they can expect in the future for those people?

MR. NEARY: Mr. Chairman, my officials are meeting with representatives of the Newfoundland and Labrador Association for Aging continuously. Mr. Chairman, they have been very helpful to my department in providing statistical information and I believe there about two years ago they researched the number of old people that we have in Newfoundland, by running an ad in the newspaper. And a lot of the information we get today comes from the Newfoundland and Labrador Association for the Aged.

MR. COLLINS: They seem to have some pretty good ideas on what old people need -

MR. NEARY: They do yes.

MR. COLLINS: in other words they need to be able to continue homekeeping and things like that.

MR. NEARY: The only thing, Mr. Chairman, I wish the grant could be more.

MR. CHAIRMAN: Shall 07 carry? Carried. Shall 08 carry?

MR. MURPHY: Mr. Chairman, how many have been attending the School for the Blind in Halifax now, may I ask?

MR. NEARY: Could I get the hon. member that figure, I do not have it here with me. The number of children, I think, this year is thirty-two, and this has been pretty well the pattern for the last two or three years. Thirty-two, I think, is the number.

MR. CHAIRMAN: Shall 08 carry? Carried. Shall 10 carry? Carried. Shall 11 carry?

MR. MURPHY: Mr. Chairman, is this in conjunction with the Glenbrook Lodge, I notice there two votes: I guess one is correctional services and then there is another one for Glenbrook Lodge - is this something separate that the Salvation Army carries on outside the actual home?

MR. NEARY: No, Mr. Chairman, this is a special grant of \$12,000 per annum that we give the Salvation Army to operate probationary and correctional service here in the city of St. John's.

MR. CHAIRMAN: Shall 12 carry? Carried. Shall 13 carry? Carried. Shall 14 carry?

MR. WELLS: What is that, Mr. Chairman?

MR. SMALLWOOD: St. Patrick's Home, St. Luke's Home.

MR. WELLS: An annual grant?

MR. NEARY: No, this is a new subhead, Mr. Chairman, to provide special grants for Bond News Lodge, to take care of any deficits that they may have in their home in Valleyfield.

MR. CROSBIE: Who?

MR. NEARY: Bond News.

MR. CROSBIE: This is just for the one home for the aged \$81,700?

MR. NEARY: No, \$10,000 is for Bond News, plus \$2500, plus any deficit payments that they may have. The amount of \$75,900 in the estimates, I think, the balance is made up as follows: It is grants to St. Patrick's Mercy Home, The Agnes Pratt Home, The St. Luke's Home, The Pentecostal Home, the Salvation Home, so you see the hon. the Premier is correct.

MR. COLLINS: Mr. Chairman, I do not know how many of this type of home are situated around Newfoundland. But there is supposedly a home for the aged situated at Brown's Arm, near Lewisporte, or at least this is what it is called. I wonder what is the position of the minister and his department with regard to people who erect such an establishment with the hope of attracting some of our older citizens, would he indicate to the committee, Sir?

MR. NEARY: Well, Mr. Chairman, I would not advise any citizen to consider opening a Senior Citizens Home unless they consult with my department, because we do have licensing regulations in the department. And we have the experts down there. And, I believe, that before anybody thinks about opening up a private home for citizens that they should first consult with the officials of my department.

MR. SMALLWOOD: I saw that one, it is not bad.

MR. COLLINS: Do we have some people there that the Government are -

MR. NEARY: Where is this, Mr. Chairman?

MR. COLLINS: At Brown's Arm.

MR. SMALLWOOD: Yes, there are people in it.

MR. COLLINS: There might be an innovation, Mr. Chairman, that is why I mentioned it, where we plan some private citizens who are interested in erecting small homes to board some of the elderly citizens that we have.

MR. CHAIRMAN: Shall 14 carry? Carried. Shall 15 carry?

MR. MURPHY: Mr. Chairman, I notice there is a fairly substantial reduction in this vote. And while I am on my feet, I just want to bring forth what I have read in the paper, and I do not know too much about, but it is the fact that the Institute for the Blind have lost the catering at Memorial University. Now I do not know if it is in the control of the Government. But there has been a figure of something like \$70,000 mentioned as loss of income to the institute, and I am just wondering why this reduction, and if the minister could give us some explanation as to the change in catering at Memorial University?

MR. NEARY: Well Mr. Chairman, the matter of catering at the University is

MR. NEARY: a private matter between the CNIB and the University, the same as the one down stairs here in Confederation Building. But for the information of the members of the committee, there is a part of this \$20,000 that is their annual grant. And then there is a construction grant, I think, we agreed to pay \$10,000 a year for five years for a building that was constructed at Corner Brook. Perhaps the hon. the member for Humber East could confirm that.

MR. WELLS: Pardon?

MR. NEARY: The CNIB did construct a building in Corner Brook, and we agreed -

MR. WELLS: A number of years ago.

MR. NEARY: That is right. And they also constructed a building in St. John's, and we agreed to give them a grant for which would be amortized over a period of five years. So it combines these three headings, Mr. Chairman.

MR. CROSBIE: The five years are up, that is why the vote is down.

MR. NEARY: The five years I presume now have expired, in at least one of the buildings, I do not know about both of them.

I might say, Mr. Chairman, to answer a question that was asked by the hon. the member for St. John's West, that homes provided to welfare officers at the moment, we have two in Corner Brook, two in Gander, one in Fogo, one in Harbour Breton, one in Englee, and two in Happy Valley, for a total of nine. We have asked for homes in Channel, Stephenville Crossing, Corner Brook, Bonne Bay, Flower's Cove, St. Anthony, Hampden, Lewisporte, Gander, Clarenville and Bonavista.

MR. WELLS: Why are we providing homes for civil servants?

AN HON. MEMBER: You mentioned Flower's Cove.

MR. NEARY: Yes, I mentioned Flower's Cove, because there is a desperate housing shortage in these remote areas, Mr. Chairman, and we cannot

MR. WELLS: In Corner Brook?

MR. NEARY: Yes, in Corner Brook. We cannot get qualified people to go there.

MR. WELLS: Are we charging an economic rental?

MR. NEARY: It will be a subsidize rental.

MR. WELLS: Well why is there a subsidize rental? Why should we be subsidizing civil servants living in Corner Brook?

MR. NEARY: Well as far -

MR. CROSBIE: Inaudible.

MR. WELLS: No, but seriously, you know there are an awful lot of people in this Province who do not appreciate civil servants, who get perhaps not the best wages possible, but who get generally reasonably fair wages, and in other places and other people, in similar income brackets, have to provide their own homes. I can see it in an isolated area where it may be hard to get a house, or there is no house available or something like that. But there are houses on the market constantly.

MR. COLLINS: Inaudible.

MR. WELLS: It just does not make sense.

MR. NEARY: There are no houses available for rent to welfare officers at the moment in Corner Brook.

MR. WELLS: That is not right.

AN HON. MEMBER: And they are moving all the time too.

MR. WELLS: Mr. Chairman, I can tell the hon. minister that, that is wrong.

MR. NEARY: We have had trained welfare officers in Corner Brook, Mr. Chairman, for months looking for an apartment, for months.

I think, I have the answer to the question that the hon. member for Labrador West asked me about the Department of Northern Labrador Services. In 1969-70, and this account is in full, \$215,733.57. The arrears from 1968-69 Fiscal Year was \$53,397.54, for a total of \$269,131.11. And in the current year 69-70, or the year just past, \$82,068.72, not yet received from Ottawa \$19,416.00 for a total of \$101,484.72.

MR. CHAIRMAN: Shall 15 carry? Carried. Shall 1157-02 carry? Carried.

Shall the Block Provision: Canada Pension Plan/carry? Carried.

Shall Block Provision: Salary Increases and New Posts:

MR. CHALKER: Mr. Chairman, I move that the Block Provision on Salary Increases and New Posts change from \$302,900 to \$496,300. Less: Appropriations-in-Aid to change from \$137,000 to \$226,409. And the total of that vote will change

MR. CHALKER: from \$165,900 to \$272,900. And the total will change from \$23,390,300 to \$23,497,300.

MR. CHAIRMAN: Shall the Item as amended carry? Carried. Shall the amendment to the total carry? Carried.

Heading XII: - Newfoundland Liquor Commission: 1201-01

MR. SMALLWOOD: Mr. Chairman, in the absence of the Minister of Finance, who has been in Winnipeg and is today in Toronto, and who is due back sometime tomorrow, I will attempt with help to make such explanations. I do not know even with help that I will be able to answer whatever questions are asked, but if I am I will be glad to answer them.

MR. CROSBIE: Mr. Chairman, there is a general vote for the Newfoundland Liquor Commission, there are several items that, I think, it is time we had some explanation on. And one is, Mr. Chairman, an explanation for the very high rentals which the Newfoundland Liquor Commission has agreed to pay on the Board of Liquor Control Stores in several communities throughout Newfoundland. There is no need to go into any detail, because it was discussed in Public Works estimates the other night.

But these include a store at St. Lawrence where the rental is \$7.22 per square foot per year. Over \$12,000 for a store having an area of 1,665 square feet, a twenty year lease. The lease entered into in connection with a store in Grand Bank where the rental is in the same area. A store in Placentia where the rental is \$7.34 per square foot per year, under a twenty year lease, on a building of about 1700 square feet. There are three or four of these leases, twenty year leases where the rentals are extremely high, Mr. Chairman, very high, particularly for twenty year leases, where anyone would be glad to build a store and rent it to the Government or an agency of the Government with the credit rating that the Newfoundland Liquor Commission has for far less than \$7.34 a square foot, particularly if there is a twenty year lease, and these are buildings which surely do not cost to construct any more than \$20 or \$22 a square foot.

Now these stores are held in the name of the Royal Trust Company according to answers to questions tabled in this House, the owner, the title

MR. CROSBIE: is vested in the Royal Trust Company. And the Royal Trust Company is scarcely likely to be the true owners, they are acting as trustee and manager for someone. And, I think, the House should be told who are the owners of these seven premises or the lessors given to the Royal Trust Company. And why the Newfoundland Liquor Commission is paying such a very high rental on twenty year leases? Who is responsible for that? Why did not the Board build its own or negotiate some better deal than this? Can we have some explanation on that?

MR. SMALLWOOD: Mr. Chairman, I am told that the average rental paid by the Board throughout this Province is \$4.25 per square foot. That rents run up to \$4.50, \$5.00 a square foot. But in the case of Philip Place the rent is \$5.00 a square foot; and \$3.00 a square foot for the basement.

I inquired as to what was the highest rental being paid anywhere in the Province? And I was given a figure that I frankly doubted, I do not think it can be correct \$4.80. And I said, this cannot be correct, from all the talk that I have heard, it is more than that. But the figure is going to be got for me, and I will pass it on to the committee.

MR. WELLS: There was a question tabled in the House, oh, a couple of months ago. Question No. 117 on the Order Paper of March 2nd. And a list was tabled of a variety of places, and there are a number of them there all having 1,665 square feet. Obviously, all with the same design, these are in Clarendville, Deer Lake, Grand Bank, Marystown, Placentia, St. Lawrence. Clarendville \$5.10 a square foot; Deer Lake \$5.10 a square foot; Grand Bank \$7.22 a square foot; Marystown \$6.53 per square foot; Placentia \$7.34 per square foot; St. Lawrence \$7.22 per square foot. This is the answer tabled. What is the explanation for these high rates? Now if they are the same, I have seen the building for example in Deer Lake, I have not seen the others, and it is an ordinary square building, very obviously reasonably simple construction, it is nothing elaborate like you might find in Philip Place or something like that. It is a simple functional design. What is the explanation for the high price? And who owns the buildings?

MR. SMALLWOOD: I was right in doubting that \$4.80 was the highest figure. If the answer was just quoted was correct, and I assume that it was, because there the highest price quoted was \$7.34; and some at \$7.22; and one at least \$6.53. But I will get that for the committee.

MR. WELLS: Mr. Chairman, will you get the owners of the buildings too?

MR. SMALLWOOD: I will endeavour to get it.

Mr. Smallwood.

ever get it. As I recall it was a trust company..

MR. WELLS: The Royal Trust Company that is the company from whom the buildings are leased.

MR. SMALLWOOD : Yes.

MR. WELLS: I would imagine that they are not the owners. I may be wrong.

MR. SMALLWOOD: I will endeavor to find out.

MR. COLLINS: Mr. Chairman, one or two questions there. Last week, when we were debating the estimates of the Department of Finance, I directed a question to the Minister of Finance concerning the liquor store at Gander - the Board of Liquor Control store at Gander. I have been told that the store, even though, it is a relatively new building, possibly, four or five years old, is to be demolished and space is to be rented in the new shopping mall which is about to be constructed in the town. I would like to know what the reasoning is behind this. I made some insinuations last week and I suspect that it is on the basis of Lundrigans and Sobeys building a great shopping centre, and they want to get all the Government business they can I suppose. So, the hell with the store that we have already in the town. We will tear that down and pay the rent to Lundrigans.

One other point, sir, is that during the tourist season, there are a great many tourists who enter the Province, drive through Corner Brook, I suspect and Grand Falls and Gander. On weekends and after 5:30 p.m. - I believe after 5 p.m. during the summer months, when they cannot find a bottle of liquor anywhere, they have to go looking for bootleggers or hopefully find some friend who might be on good terms with a bartender somewhere and get the loan of a bottle or possibly pay \$15 to \$20 for a bottle. Has there been any consideration given to the thought of opening those stores say from the middle of June through to the end of September? Open the stores to 10 p.m. to 10:30 p.m. and give the people outside a similar

Mr. Collins

service to what we have in St. John's and also what consideration is being given - I mentioned this on a couple of occasions before this - what consideration have the Government given to the proposal to charge people living outside St. John's no more for liquor than they are charging people in St. John's? We all know that once you get away from the capital city, you pay anywhere from \$.25 to \$.30 - I do not know how much more but approximately \$.25 to \$.30 more for a bottle of liquor than you pay in St. John's. As far as I am concerned this is rank discrimination and it should be removed and people in Gander, Grand Falls and Corner Brook should be able to buy liquor at the same price that you can buy it on Water Street.

MR. SMALLWOOD: I am informed that there is no such decision with regard to the tearing down of a building. I have heard although I do not really know that a new shopping centre is about to be built in Gander, and it may well be that the owners of that new shopping centre would like to rent some space in it to the Liquor Commission. But the Liquor Commission are already the owners - not the owners - the occupants of a building which I believe is owned by the Minister of Public Works, or owned by the Queen and there is no thought of tearing that down so that the commission can rent space from Mr. Lundrigan. Mr. Lundrigan might buy the building. He might buy the Government's building and then rent space to the Government in his new shopping centre. But as for the Government tearing down that building so they can rent space that, of course, is nonsense.

MR. COLLINS: Well that is one other way to do it. Buy the building and rent the space somewhere else.

MR. SMALLWOOD: That might be. I do not know. There is no decision of any sort of any such character - none whatsoever. Now with regard to hours,

Mr. Smallwood.

I am informed that the Liquor Commission would be quite happy - quite willing to change the shopping hours of their shop in Gander to conform to the regular trade pattern of the place. In other words to open and close around the same time each day as the general trade does. But, of course, what occurs to me is that if they are willing to do that in Gander, why would they not be willing to do it anywhere? Why would not the shopping hours of Liquor Commission stores be the same generally as the trade pattern in each place.

But I am informed that if there is any noticeable desire to change the hours, the commission would do it.

MR. COLLINS: What about the extra charge that people outside St. John's are required to pay?

MR. SMALLWOOD: I know there is a freight allowance and that is all. It is the same price as here except for the freight allowance.

In Labrador it is higher than that, because the freight is higher.

MR. WELLS: Mr. Chairman, I want to have a few words to say on this so-called freight allowance. It is ridiculous. It is absolutely ridiculous. The Government first got involved, I assume, with alcohol for purposes of controlling it. It was commonly called the controllers for a long, long time. It got involved in the initial purchase of the subsequent sale of alcohol to the consumer for the purpose of controlling it. It very soon became a rather lucrative business and is now, in fact, a means of getting taxable income. If we look in the estimates at the revenue, the Newfoundland Liquor Commission, it nets out after expenses to over \$14 million.

Now the primary purpose of the operation of the Newfoundland Liquor Commission today, when you realize that more than fifty per cent of the purchase price is taxed. I am not saying that it is wrong. It is a form of taxation. The Government in this Province exist for the people - for the whole of the Province - not just the people of St. John's. If the

Mr. Wells.

Government are going to discriminate against people in other parts, then get out of it, and let private enterprise do it, and they will sell it for the same price. They will bring it in by other means. But all liquor is brought in through St. John's, distributed from here and the rest of the Province pays an extra \$.10 in the form of tax, because the sale price of alcohol is primarily tax. The additional commission put on it by the Liquor Commission is not an ordinary trading profit in the normal sense of the word at all. It is a form of taxation and it is quite unfair and it is quite unjustified and quite discriminatory, Mr. Chairman, to charge anybody anywhere else in the Province anymore for the price of liquor. It is the same as charging the people in Gander or Corner Brook or Grand Bank an extra dollar for the licence plates, because they have to bring the licence plates out to Corner Brook before they are sold in the office out there. What is the difference? There is no justification for it in this world, and it should be removed. It has been mentioned several times before and it should be removed.

MR. BURGESS: I would like to add my approval - complete, utter and absolute approval to what the hon. member from Humber East has just said. Now he is complaining and the member from Gander is complaining about the \$.10 additional charge - extra charge for a bottle of liquor and the member from Humber East is also complaining about that. I am complaining about a \$.40 per bottle. We are being penalized because of the fact that we live on the Western extremity of this Province.

Now I see absolutely no need - the Board of Liquor Control distributes a brochure which states the cost of each bottle of liquor of the various types of liquor, and there is a little rider on the bottom that says, if you are charged any higher, you should report it to the liquor authorities.

Now we have been told that it is freight charges that warrant this additional cost - this additional \$.40 per bottle. Now during some investigation

Mr. Burgess.

or some querries that I have conducted in Labrador City, I find that in a lot of cases, liquor is shipped directly to where it is produced in other parts of Canada or other parts of this continent. It does not come down through here. This is what I have been informed by some of these people and in essence that would make it cheaper. I mean if you want to apply this philosophy of charging us freight rates, an additional cost to ship a Government product, well then why is not our cost of living cheaper for all groceries and everything else that come in directly from Seven Islands or from Montreal or from Toronto that do not have to come across the Gulf and back over again? This idea of penalizing people by virtue of their geographical location in the Province is sheer, utter rank discrimination. I think that is a mild way of putting it. I do not see why it should be tolerated. I do not see how the Government can sanction it - to apply a discriminatory policy to the people living - after all, we are supposed to be part of this Province. We are supposed to be but it certainly does not look like it. Forty cents per bottle extra in Labrador. I can understand the member in Gander. I can understand the member in Humber East complaining about \$.10, but I have four times the gripe they have. We are charged \$.40 more, and I think it is a damn shame.

MR. SMALLWOOD: Mr. Chairman, the price across the Province here for the Island part of it is \$.10 a bottle and \$.05 for a half bottle. In Happy Valley it is \$.20 and \$.10 for a half bottle and in the rest of Labrador it is \$.40 a bottle and \$.20 a half bottle. I am informed that if that were just wiped out all together, it would cost the Liquor Commission \$95,000.

MR. WELLS: So be it.

MR. SMALLWOOD: I am also informed that they have actually, in their possession, not yet forwarded to the Government, but drafted and ready to be forwarded - the first I have heard of it was in the last five minutes - ready to be forwarded to the Government, a recommendation to the Government that the \$95,000 not be wiped out - not that the commission

Mr. Smallwood

should incur a drop of \$95,000 in their revenue but rather that the rate be made uniform throughout the Province and the \$95,000 be absorbed by the whole Province, so that there would be a uniformed rate added on to the bottle. In other words, you would spread \$95,000 over the whole Province which would reduce the amount in Labrador and reduce the amount in one part of Labrador, namely, Happy Valley and raise the amount on the Island of Newfoundland so that there would be a uniform amount added on as the freight cost of all liquor sold by the board. There would be a uniform price throughout the entire Province.

This recommendation, I am told by the Chairman of the Liquor Commission is in draft form ready to come to the Government. It has not yet come. But that it will come and the Government will certainly consider it, and I would prophesy and it is only a prophecy, because we have not even received it let alone consider it. I prophesy that the Government will give it very sympathetic consideration indeed. I ought to say while I am on my feet that my reporting the commission's willingness to conform to the trade pattern in hours of shopping is based on amendments that he tells me were made in this session to the Liquor Act which allows that to be done. This has not yet been enacted. It has been passed by this House but not give the Royal Assent. When it is given Royal Assent later on, it will become the law of the land and then under that amended law, the Liquor Commission will be able to vary his hours of opening and closing to conform to the trade pattern in any particular place. It is under authority of that - well apart from the reasons for doing it, the fact is that the new legislation gives authority to do it, when it receives Royal Assent and under that authority, I am informed by the commission that they will be quite happy in this, that or the other place, according to these, those or the other circumstances. In accordance with the wishes of these, those or the other people, they will have the right to do it, and they will exercise that right as it seems sensible to do under the authority of the legislation this House has passed but which is not yet law until it gets the Royal Assent.

MR. CROSBIE: Mr. Chairman, on the last item. I am sure that everybody would agree that all around the Province, we should pay the same price for liquor

Mr. Crosbie.

but I am a bit suspicious of what this price increase is going to amount to.

Now, we are told that the board would lose \$95,000 a year if the \$.10 in Newfoundland and the \$.40 in Labrador were eliminated and \$.20 in Happy Valley. When this increase is announced, I would like to hear how many bottles of liquor are sold per year and how much the price is going up on each bottle of liquor. Because let us remember that there is only \$95,000 at stake. But I venture a guess that when the price goes up, it will be \$.10 a bottle on every bottle sold and the Government will take in another \$750,000 and eventually cover the \$95,000. So, what is really being said is that there is going to be a tax increase in the price of liquor unless this is kept to \$.01 a bottle. Even a \$.01 a bottle will bring in more than \$95,000.

Now apart from that item, I think...

MR. SMALLWOOD: Mr. Chairman, if the hon. gentleman will allow me, the figures are \$71,170 for the Island of Newfoundland - \$71,170.53. The cost of freight on moving the liquor to the market - in the Island of Newfoundland, they pay out \$71,000. In Labrador, they pay out \$23,561. So, the two together come to about \$93,000 to \$94,000 - I rounded it out at \$95,000. It is \$71,000 and \$36,000. There is also \$23,561 to be added on to that and \$170, so it is pretty close to \$95,000.

But when that is averaged out, over the entire distribution of liquor in the Province, it comes to \$95,000 in the aggregate and ought not to be very much in the individual bottle or case or however it is charged.

MR. BURGESS: Mr. Chairman, it is somewhat similar to the hon. member from Gander who, when he was talking about store opening hours to more or less match the trade in the area. As the hon. minister or the Chairman is well aware of that in Labrador City and Wabush, particularly, in fact they are one industry towns, and the workers in the plants - the main proportion of the population are employed in the plants and the plants are on a three-shift system.

Now there is a vast percentage of it, say, somewhat in the percentage of fifty per cent of the people work on a steady day shift of operation. They go to work at 8 a.m. and they get off at 5 p.m. Now it does not leave much time - the liquor stores, up until relatively recently, they were open on a five day week basis, but relatively recently, there is a liquor store in Wabush and there is a liquor store in Labrador City. Well the one in Labrador City opens this Saturday and the next week the one in Wabush opens on the next Saturday and the one in Labrador City closes. I wonder would the hon. minister or the Chairman give consideration to the fact that there are a goodly number of people based on this steady day shift system who are not - I think it would be a wise suggestion - they do not work Saturdays and Saturdays would be the only day that they would be in a position to go to the liquor store.

Now, you can say logically that they would have people go for them, but there are a goodly number of men who are living in the bunk houses there, and I do not think they would depend on sending their buddy for a bottle of liquor, because they could not guarantee that they would have it, when they would come home.

The thing is that there are a goodly number of these people who do find it rather difficult due to the store and opening and closing hours, and I wonder, if some consideration could be given to that matter, if both stores could stay open on Saturdays?

Just one further question, Mr. Chairman, to the hon. minister.

Mr. Burgess.

The statement which I made - nobody has said whether it is right or wrong - I would like to know if, in fact, all the liquor that is sold in the liquor stores in Labrador City, Wabush or Labrador proper, I would like to know if, in fact, some of that liquor comes directly where it is produced and not via St. John's?

MR. SMALLWOOD: Mr. Chairman, I am informed that this will be considered although I am reminded that these stores are three miles apart and that one of them is open six days a week. For six days a week, you can get service in these stores, because one of them, at least, is open six days a week. Between the two, one of them is open six days a week. For six days of every week, liquor can be bought. However, the matter will be taken into consideration I am informed.

MR. CROSBIE: Mr. Chairman, I only allowed the member for Labrador to interrupt me, because he wanted to be on the same topic.

MR. HICKMAN: The other question that I wanted to point out to the committee, Mr. Chairman, is this: if Government on the recommendation of the Newfoundland Liquor Commission comes to the conclusion that it can either be an absorbing of the freight on cost of liquor from St. John's to the other retail stores throughout the Province, let me draw to the attention of the committee - I suspect that many hon. members have received a fair number of complaints to this respect. This only assists those who live in the areas or towns where there are retail outlets. I am in receipt of some mail from the district of Burgeo-LaPoile complaining that when they order - when the residents order liquor from Burgeo-LaPoile and Hermitage that they are charged - I have forgotten the amount, but a fair amount by way of shipping costs. Now if we are going to have a uniform rate, and if we are going to treat this as a Government service and if you apply the same yardstick as was suggested by the member for Humber East

Mr. Hickman

that when you buy your motor vehicle licence plates, it is delivered anywhere in the Province at no additional cost. You do not discriminate against a person because he is ordering his driving licence plates from Hermitage anymore if he is from St. John's. How are you going to justify eliminating discrimination in Deer Lake, Corner Brook and Labrador City and Placentia and Grand Bank and still whack on the \$.50 a bottle or whatever it is to someone residing in Rose Blanche or Burgeo?

MR. SMALLWOOD: Mr. Chairman, there are still about 10,000 bottles a year of liquor mailed or sent through Canadian National to individual customers who write in for the stuff and it runs about \$30,000 a year for the freight or about \$3 a bottle, not \$.50 - around \$3 a bottle or about \$30,000 a year freight on the 10,000 bottles approximately and that is about \$30,000 a year.

Now, Mr. Chairman,

MR. SMALLWOOD: Mr. Chairman, the hon. member who just spoke began his remarks by saying that if the Commission were going to absorb this freight. Well, I do not think there is any thought of the Commission absorbing the freight as the freight is going to be paid by the Consumer because the Commission do not propose to lose that \$95,000. and I imagine -

MR. COLLINS: Why do you not drop the price a few cents to the distributor - ?

MR. SMALLWOOD: Distributor of liquor, who are they?

MR. COLLINS: (Inaudible).

MR. SMALLWOOD: Oh, the distributor for the distillers -

MR. COLLINS: (Inaudible).

MR. SMALLWOOD: Well, the representatives of the distillers. Anyhow whoever is going to pay it I do not think it will be the Liquor Commission. I doubt if they are going to yield up any part of that \$95,000. and certainly the Government would not be very happy to see them do it. I for one would not. I think that \$95,000. we want and also the \$30,000. freight on the the 10,000 individual bottles. So it is not a matter of Government, which is the Commission, or the Commission, which is the Government, absorbing that, it is a matter of the public paying it. We have two amounts, we have \$95,000. which can by an averaging out be brought down in the case of Labrador and be brought up in the case of the Island of Newfoundland something more than ten cents on this Island and less than forty and less than twenty in Labrador, so it would average out. The volumes are different as there is not nearly as much sent to Labrador as to the Island of Newfoundland. The freight is as can be seen there, one is \$24,000. and the other is \$73,000. but for the \$30,000. I am informed that they will give this their prayerful consideration. They will pray on it, they will ruminate on it, they may have a drink while they are doing it, I do not know, but they are going to try to figure out some way of helping the individual customer in that regard.

MR. CROSBIE: Mr. Chairman, I hope the spirits will move them while they are praying on this matter. I just want to pass onto several other items that I want to mention. The hon. the Premier said he was going to get some information on these leases and before leaving that topic, Mr. Chairman, I would like to

MR. CROSBIE:

show that it is an important matter because according to the answer to question 117 the Board of Liquor Control is paying out \$222,696. a year in rentals, \$222,696. according to that answer, some is warehouse space and some is BLC stores around the Province. . . . Until just the last year or two the rents seemed fairly reasonable, \$4.00, \$5.00 and \$5.10 per square foot but within the last year or two we get these high rentals, for some reason, of \$7.22 and \$7.34 a square foot. It is over \$12,000. rent a year for 1665 square feet of space in places like St. Lawrence, Placentia, Grand Bank which are not the highest rental areas in the Province. So the Premier says he is going to look into that and I think it certainly needs to be looked into because I can see no other explanation and whoever negotiated these deals is absolutely incompetent.

With the Government's credit behind them they could rent a store like that on a twenty year lease for \$5.00 or \$5.50 a square foot easily at the most. But to pay \$7.20 or \$7.30 on a twenty year lease is a public scandal, it is a scandal in property management and unless there is some reason or explanation it is a bad mark against the Newfoundland Liquor Commission or whoever arranged the rentals, perhaps it was Public Works.

Now another subject I would like to mention, Mr. Chairman, is this. There has been a question on the Order Paper now for a very considerable length of time about the Government's dealings with Mr. Ben Ginter, the entrepreneur from British Columbia, and whether or not he is going to take over the Atlantic Brewing Company assets over in Stephenville and I think it is now time for that question to be answered. There was a report in the Evening Telegram on February 20th, 1970 that this multimillionaire brewery executive is going to add a \$500,000. canning line to the Stephenville Plant as the beer would have to be canned, he thought, to make a success of it. He is quoted as saying, "I have promises from the Newfoundland Government which would make it feasible to produce and market beer here." He said, "I have permission to put in a canning line and to cut the price of beer." Now this is what Ben Ginter is quoted in the Evening Telegram as saying February 20th, 1970.

MR. CROSBIE:

So surely it is now time, Mr. Chairman, that we heard whether or not the Newfoundland Government has promised to let Mr. Ginter put in a canning line for beer and whether or not they promised to let him cut the price of beer. This is information that should now be made public. Mr. Ginter itemized the Atlantic Brewing debts as \$1. million to the bank, \$700,000. to private creditors, \$700,000. to finance companies. We know they are indebted to the Newfoundland Government for \$407,000. at least or the old Atlantic Brewing Company Limited is and that there is no way the Government can get this unless somebody like Ginter takes over the obligation because all the assets of Atlantic Brewing, the physical assets, the machinery itself, all the machinery for making beer is under a lien to finance companies and to Montreal Trust Company as trustee for the Royal Bank of Canada. Now they have all the assets of the place and the Newfoundland Government comes behind them so unless they are fully repaid, the Royal Bank of Canada and the finance companies, we will not get a cent.

It has been stated in this House or outside this House that Mr. Ginter had agreed to take over these obligations of Atlantic Brewing to the Government, to repay the \$407,000. that was not collected by the Newfoundland Liquor Commission, \$2.49 a case for each case of beer sold by Atlantic Brewing. Mr. Ginter has denied that on the radio that he did not agree to it so just what is the position? Surely we are entitled to know it. Mr. Ginter once said that he wanted the price of beer one dollar less than the current \$4.11. Has that promise been made and what is the exact position now? Ginter has denied there has been any agreement entered into.

Now there is another question, Mr. Chairman, that has been mentioned in this House a number of times and that is this question of the distribution of beer. Whether it is being done wastefully now under the present system or whether the Government is going to impose a distribution system for beer, the Government is going to take over the distribution itself. Well, that is all well and good, Mr. Chairman, but the situation up to now has been that the breweries have had to distribute their own beer. They have entered into agreements with distributors and they have had to distribute the beer around

MR. CROSBIE:

the Island, around the Province. Now the Government can take over the distribution of beer but if there is going to be any saving, if the idea is to have a saving of hundreds of thousands of dollars or a million or whatever the figure is that the Newfoundland Liquor Commission can keep for itself, then the question needs to be answered: What is going to happen to the fifty full-time distributors who are now employed by the three breweries? Bennett, Bavarian and Newfoundland have fifty full-time distributors, people who get their living full-time from distributing beer and those fifty full-time distributors have 116 employees. That is fifty distributors earning their living having 116 employees with them which is 166 people and they are using sixty-three trucks that they own and that they have financed, so where is this saving going to be? If the Government takes over the distribution of beer or imposes one agency to distribute beer the only place you are going to make a saving, Mr. Chairman, is in eliminating distributors and eliminating employees of distributors and eliminating brewers' agents and so on. There are going to be several hundred people who will lose their jobs and it is just as well to face that now, and for what savings?

So I think that the Newfoundland Liquor Commissions estimates are up and we should hear more on that. It is easy to say that the Commission is able to get a half million more or a million more or whatever the figure is but there are certain consequences. Perhaps it can be done more efficiently to have one agency distribute all the beer, such as the Newfoundland Liquor Commission who can do it, as they own the beer. But it must be faced that around this Province there are going to be fifty distributors and 116 employees, 166 people are going to be put out of work by that or badly damaged. So perhaps the Government considers it is worth it, but I think that the situation should be clarified. So there are two questions there, Mr. Chairman. One is what is the position with Ben Ginter and the other is what is the position on distribution and what will the Government do with distributors and their employees if they do go ahead or the Newfoundland Liquor Commission goes ahead and takes over the distribution of beer?

MR. SMALLWOOD: Mr. Chairman, I think that it would perhaps be acknowledged

MR. SMALLWOOD:

that there is a magnificent degree of co-operation between Mr. Ginter and the press and radio and a very admirable willingness on his part to speak frankly and freely and discuss his private business concerns with any newspaper man who rings him. This is very admirable, a little unusual but altogether admirable and I am sure that any newspaper man or radio station reporter or television report who is a little bit stuck for news can always get it by ringing Ben Ginter. I mean I judge this by the number of times I have heard him quoted and heard his own voice on the air in this Province and the number of times I have seen him quoted in the newspapers.

Now personally I am not prepared to accept literally everything I hear or read in the papers. I am peculiar that way but my experience down through life has been such as to leave me with a certain amount of skepticism as to the accuracy of what I read in the papers and the accuracy of what I hear on the radio. I do not mean by that that positive misstatements are made but I do mean by that that omission or insufficient statements can have the effect, the net effect of leaving a completely wrong impression. Now out of all the things that have been said there is one thing I want to confirm and that is that the Government of Newfoundland did inform Mr. Ginter that they would be quite willing for him to put in a canning line. Yes, he was informed of that willingness on the part of the Government to can beer and we cannot think of any reason in the Government why we should prevent any brewer from canning beer rather than bottling it. We have not been able to think of any reason and we still have not. We are still failing to this moment to think up or to imagine or to hear from anyone any good reason, any acceptable reason why we would prevent a brewer from putting in a canning line to can the beer. It is canned all around the world and why not in Newfoundland? I do confirm that statement.

With regard to the other question the matter is presently under negotiation and I prefer not to be drawn into any discussion of it until these negotiations are completed and we get to be in a position to make a definite statement. At the moment we are negotiating with the brewers. We have held 6512 some meetings with them, official and unofficial, and these will continue and

MR. SMALLWOOD:

in the course of events there will be a decision by the Government and as soon as that decision is made it will be announced. It would be very wrong for me to allow myself to be drawn into a discussion of that at this particular stage.

MR. MURPHY: Mr. Chairman, possibly I have been one of the most outspoken members of this House on this famous Newfoundland Liquor Commission and a lot of it stems from the fact that I happen to have ten years experience with a brewery and watching in actual operation, actual contact, the granting and cancelling of licenses and so on and so forth. I have made statements and I made one the other day in the presence of my very good friend, the Chairman of the Commission and some other members. I said that in my opinion, as far as the granting of licenses were concerned, the doorkeeper downstairs had as much authority to do so as any member of the Commission. Now I maybe absolutely wrong but I am only speaking from experience down through the years, where I reached the end of frustration in a great many instances in trying to have agents appointed in different areas of the Province who, in my opinion, were good sound businessmen and could do a good job and was informed by the Board at the time, (on which my good friend, Mr. White, there opposite was not chairman at that time) that no we could not have him but they would recommend some other gentleman, whom I would not trust across the street with a case of beer. Now basically this was because he was nominated or suggested by someone who wanted to return a favour to that gentleman.

I have gone to this Alcoholic's Liquors Act and anybody who has had letters or requests from people who have applied for licences and received that wonderful self-explanatory letter that he is turned down under section 50 and so, which means that the Board does not have to tell anybody why they are closed or why their licences are suspended. They would have to tell them nothing, absolutely nothing which in this democratic country to me stinks of the -. We have now, and I was looking at salaries here, we have now, and I was not aware of that, we have a chairman, now we have a Deputy Chairman and two members of the Board and at one time it used to be a chairman and two members of the Board. Now I can see the need, Mr. Chairman, for a manager or a chairman of this Board but I do not see the need for any members

MR. MURPHY:

of the Commission. I think it is an absolute waste of money because the general chairman of the Board has many, many experienced gentlemen in there, and I look at one opposite who has been many, many years in the Accounting Division of that Department and I feel that what is added to that Department by having a Board is not too much and I feel that the Chairman could handle the whole do himself.

One thing I was always asking questions on was the number of inspectors in the Board because in the past five, six, seven, eight years there has been a multiplicity of licences throughout the Province and at one time there were very few what we called liquor outlets as such because we had mostly taverns where beer only was sold, but I doubt if there are four or five of these still left in the city of St. John's that sell only beer. I may be wrong on this but there are very, very few of them. So we have reached the stage now where everyone has a liquor licence.

I have referred time and time again and I do not know if this is still in effect and it is the last regulations that had been issued, to my knowledge, in 1950 and perhaps the Premier, who is piloting these estimates through can inform me afterwards if there have been any issued since 1950. It sort of makes me laugh when I read some of them. The prices to be charged for beer sold under licence shall be for beer brewed in Newfoundland .35¢ per reputed pint bottle. Now as far as I am concerned this is still a law of the Board of Liquor Control and anybody who sells for .36 or .37 or .38¢ is a bootlegger and he is breaking the law. Now I maybe wrong, perhaps there may be changes but I have failed to find them, I have failed to find them.

We have numerous club licences, we have the Southside Club, the Eastside Club and the Westside Club and the Northside Club and every other club and according to this a club can only be operated by a group for certain purposes, which do not include profit to the individual, and we have numerous clubs around the Province. Now I am not saying that it is wrong to have clubs but I am saying, if we are going to have these things then make them legal under the Act, under the regulations, or let us destroy this thing and say, forget all about it and operate as you like. There are outlets selling beer for .45. .50

6514

MR. MURPHY:

and .55¢ and I know one outlet that phoned me a few years ago and they were selling beer for .50¢ and they were going to close him up and they quoted eleven other instances in this town where beer was selling for .50 and .55¢ and not a word about it.

This is a multimillion dollar business and let us run it as a business. I brought it up one time about the same thing -

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

On motion, report received and adopted.

It being now 6:00 P.M. the House recessed until 8:00 P.M.



Page 2328

PROVINCE OF NEWFOUNDLAND AND LABRADOR

HOUSE OF ASSEMBLY

Volume 1

Number 102

4th. Session

34th. General Assembly

VERBATIM REPORT

MONDAY, JUNE 8, 1970

SPEAKER: THE HONOURABLE GEORGE W. CLARKE

The House resumes at 8 P.M.

MR. CHAIRMAN: Order! Shall 1201-01 carry?

MR. MURPHY: Yes Mr. Chairman, I believe that is the one we were on when the House rose at six o'clock. I had spoken for a few moments on my thoughts on the general conduct of the Newfoundland Liquor Commission, the granting of licences, so on and so forth. And I mentioned the fact that I did not think it was run in a democratic manner, and I refer the Committee now to Section 23 of the Alcoholic Liquors Act with reference to the Board not being compelled to grant licences, so on and so forth, and this is the usual answer you get, when someone applies and is refused and they get this sort of form letter. And the reasons given or referred to is Section (23) of the Alcoholic Liquors Act, and Section (23) states, "notwithstanding anything in this Act, the Board shall not be compelled to issue any permit or licence under this Act, and may refuse to extend or cancel any such permit or licence in its discretion, and shall not be obliged to give any reason or explanation for such refusals, suspension or cancellation."

Now Mr. Chairman, I would like to see any other department of Government, or any other business that has requested something and just being refused with this explanation. And I think you can basically see that the Board has wide-open powers - they can pick whichever individual they wish without giving any explanation to any other individual. And that is one great objection I have that all Newfoundlanders are not being treated equally in this respect, because of this Section of this Act, which does not compel the Board to give a reasonable explanation to anybody - for refusing to grant them a licence or for closing their place of business, or any other matter.

Now Mr. Chairman, in many discussions in this House, I brought out the fact that our licensed premises are multiplying day by day, month by month, and I maintain that these premises were not being policed enough by inspectors of the Board of Liquor Control. There are many people who feel that too many persons under the age of twenty-one were using these licence outlets, which is directly against the law, and the Premier has assured us on many

occasions that there are ample inspectors to do the job well. And I just want to refer for a moment or two Sir, the salaries of this department, and let us see just how many inspectors there are, according to the information supplied in this. And as I see it, the inspection section is a director, two officers Grade VI, and three officers Grade IV, and I presume the director operates from within the premises in there and he is the one that possibly is consulted on fittings, so on and so forth, when someone wants to set up a tavern or a licence, or makes an inspection perhaps when there is a beer agent appointed. And the other five have all of Newfoundland and Labrador I presume to do, and I do not know just how many outlets there are now, but there must be a couple of hundred or more at least. So we can see that our inspection staff, in my opinion at least, and I think in the opinion of a great many people, is not as large as it should be to properly police. Because let us face it Mr. Chairman - liquor has always been a bone of contention with an awful lot of people in various walks of life, in any, not only in Newfoundland but in any Province. I know in Newfoundland it is much freer than it is possibly in the Province of New Brunswick, and it could easily lead to a great amount of criticism from various sections of our society, if the policing is not properly done.

I do not think there is anybody, or very few in this day and age, will disagree that there is a place in our society for alcohol, for liquor, for clubs, for taverns, so on and so forth. I think that is an accepted fact today. But I think if we are going to maintain the acceptance of this fact, we must also take on the responsibility of insuring that our outlets are properly run and properly conducted. And that is one point that I have tried to make on many occasions, because I have run into it on very, very many occasions. We have regulations governing the sale and consumption of alcohol. I think that is all to the good. But in my travels I have found that a lot of these regulations are observed more in the breach than in the observance. And we have to be very, very careful that when we are dealing with such a contentious subject as this, that we must ensure that our outlets

are run in a proper manner. Now I was quite interested in the remarks of the hon. member from St. John's West today, with reference to what we have been hearing in this House on many occasions - where the Government is planning, not planning, but perhaps considering taking over the complete distribution of beer rather than the breweries delivering on the Board's order, because we all understand that the breweries cannot sell direct to anybody. They must sell to the Board - they are just an agent of the Board, but through the courtesy of the Board, they are allowed to maintain their own sales staff and their own delivery truck, and so on and so forth - I think basically this is the general understanding. But the hon. member earlier pointed out the great loss of employment that would be affected - great numbers of employees that would be affected if this did happen. And I heartily concur with him in that matter, and I would say this from my knowledge of the breweries in this Province, particularly in St. John's where they all are based at this time, I believe they have the highest rates of pay for equivalent work. I think they pour an awful lot of money into the economy. It has been said that their advertising or their merchandizing amounts to considerable sums of money. But I will say this, through experience, that very, very many projects, and particularly in the area of athletics, have been supported and maintained to a great extent by these same breweries. And I believe it would be a great tragedy if the Government tried to interfere in any way with the setup as it is now. The suggestion was made that the Government might take over, more or less, the administration of these things, but I think it would be far more practical if some of these hard-headed businessmen, the way they are running their businesses, could take over some of the departments of Government. I think we would be far better off. So on that matter Mr. Chairman, I am definitely against it because I think the hon. member again quoted a hundred and sixty-six, I think, directly affected, but I believe that when you get into other areas, of employment given, aside from the direct, I think it would amount to a considerable number more. So it is a great fillip to our economy, and I

just dread to think, if Government decide to do it, just what form it would take, and if it takes the form of some of the administration we have seen in different departments of Government, I just shudder to think of just what would happen. It has been brought up again by hon. members here from outside St. John's, this extra ten cents on a bottle of liquor, and forty cents in Labrador West. And now we are going to come with a solution where we are going to also - instead of relieving the burden on these people outside, we are going to impose another burden on the people in St. John's apparently. I presume this will be done on a very scientific basis, where we will get the number of bottles of Scotch sold, and the number of bottles of rum - divide that number into eighty-five thousand and come up with an amount perhaps of three point seven cents per bottle, or something like this. I presume that will be the fairest way to do it. But I do not think it would be very happily received by the people residing in St. John's. I do not know the setup, personally, with liquor, but I know that with the breweries; when I worked with the brewery, they delivered beer in Corner Brook, Port-aux-Basques, Goose Bay - Labrador City was not in existence when I was there - at exactly the same price - and I worked with Bennett Brewing Company in the West End of St. John's, and they delivered to Park Inn across the street, fifty yards away, and they paid the same as the consumer in Corner Brook, and they also brought back the empties, and there was no extra charge on the consumer. But I imagine if the Government gets hold of this deal and they have to ship beer to Corner Brook and Labrador, they will definitely have to pay the freight on that - the same as they do the liquor.

Mr. Chairman, basically this, as I said earlier, and I realize it is very serious business - this liquor peddling on account of so many different feelings on it. I trust that we will retain our sanity in retailing and in our outlets in this matter. There was a very funny situation existed, some three years ago in this department, and this was in regard to employees, and I do not know, perhaps if the Premier can inform us a little later on - I brought it to the attention of the House; where the Board of Liquor Control,

and I am referring to the lower grades, manuals perhaps, and Officers Grade 11, 111, 1V and so on, were paid a certain rate of salary. And I think it was something in the area of a dollar fifty at the time, I am not sure. But when they worked overtime, they only received ninety-five cents an hour. Now this is an actual fact, and I checked with several individuals, and perhaps Mr. Chairman, the minister might give us some idea if this is - this Bill - the position up there - or are they paid regularly like everybody else that work time and a-half, or work overtime, will get time and a-half for it. I notice many of the manuals, and so on and so forth, in the Board of Liquor Control. I am just trying to figure out here, and I cannot identify them, and I am thinking of these clerks, and perhaps assistant managers in the retail outlets now. And we have a great number, that have so much responsibility, handling so many thousands of dollars worth of cash, and everybody knows just what a responsibility that is - a busy day in any of the liquor stores. And they are responsible, apparently, for the shortages - if their stock is checked in, if there are any bottles broken or anything like that, they are responsible. And I am just wondering which officers these are - but to me, this seems to be an average salary of \$4,000 a year - I am referring to the managers and also the retail clerks who handle this great amount of money in the retail stores. And it is my opinion, as far as I can see, this retail sales, that the salaries, compared to other areas of the Civil Service, are considerably less, with the responsibility they have to handle. And the salaries are on Page 136 - 1202 I am referring to particularly, and remember these are the Civil Servants who are turning in this \$14 million in profit every year.

Now Mr. Chairman, there is only one other matter I want to bring up, and I did not do this at any other time, although the announcement was made in the paper yesterday of an outlet being closed due to non-payment of Social Security Assessment. And I am just wondering where the tie-in is between the Board of Liquor Control and the Department of Finance. I remember last year we had a question on the Order Paper, and I asked much the same

question. And it amazed me the number of liquor outlets and beer outlets that were behind in Social Security Assessment. Now an inspector goes into a tavern and there is a dirty glass or something around, and immediately you are closed for three days. But apparently, one outlet in particular, and it must be a lot of money, I do not know the amount, and I am not enquiring at this time - apparently it has been going for months and months and months without remitting the S.S.A. tax. And this applies to a lot of them. I have a list in the office, if anybody wants to hear it - a list from last year, I do not know about this year - where this money is not a part of a profit - and I think when we talk of Social Security, we must always remember this. It is not a part of a legitimate profit that they sell something for, and owe for goods purchased on Water Street or anywhere else. This is money collected by them on behalf of another party, which is the Provincial Government. And morally and legally, in my opinion, they are collecting money for the Government and putting it into their own pockets and are guilty of some form of extortion or obtaining money under false pretenses. And I never cease to be amazed why, after one month or two months, these people are not cut-off just like that - why they are allowed to go on for months and months - thousands of dollars owing the Government.

And I know of other cases - I know that taverns have been closed for the least possible breach of the regulations. And how close - and I think it is a child, the Board of Liquor Control, of the Department of Finance - I think it is administered through that department, I am not quite - but I think it is, although we have a separate vote in these Estimates for it.

And why this line of communication has not been set up between the Department of Finance, and, I mean, the Social Security Assessment Division, and the licensing part of the Department of Finance, the Newfoundland Liquor Commission. Why this has not been set up - after a month, well not a month, but after a couple of months is not forthcoming, immediately to step in there and say, " look, you are operating under a licence from Government, you are using your licence to collect monies belong to the Government. and

not turning them over to the Government." Now you could not want a cleaner-cut case anywhere than that. And why this is not done, or just allowed to go on and on and on - and you get a small storekeeper perhaps selling bullseyes, or root beer or whatever you like - and after the twentieth of next month, if their tax is not in, they are being hounded for it. How do these things happen? I have a suspicion again that there are political overtones in this. Now it might be unfounded Mr. Chairman, it may be unfounded, but it seems to me to be a great tragedy that these things are happening, And the owners of various licences, - to whom licences have been granted, you get a list of names, and it is very seldom that you get the name of an individual - It is like the renting of these Board of Liquor Controls - the Royal Trust Company, and you ask for it in the name of all persons to whom licences were granted, and you get this club and that club and some other club. But I believe, Mr. Chairman, that we should be given the names of the licensee, because you hear talk around, whether it is true or false, and you cannot deny it - because we do not have the proof - we cannot prove that. We do not have the proof that certain individuals in this Province, and particularly in the City of St. John's, operate almost a chain of these outlets. People are reported to have two, three, four, five - but we never know.

This is an answer to a question and this does not apply, of course, to the liquor outlets alone, but we have \$2,146,000 outstanding in S.S.A. That is a lot of money, that is being collected by someone, That belongs to the Government. But my question is; a licensee of this Government, and he is granted a licence by the Government, is supposed to collect money for the Government on Social Security, and I do not know if it is seven percent now or what it is on a bottle of beer - I think it is still seven percent, or it might be so much on a drink, but whatever it is - this money is retained in that person's business over a period of months, as I say this particular one, which happens to be close to a political party in this Province. I do not know how long these taxes are outstanding, but I do not think it makes for very good reading in the papers - no matter ^{how} politically we are inclined, possibly we could make a political football out of the whole

thing, but I am just speaking (I will not even mention the name, I think most people know it) but it could have been brought up here in the House on several occasions the past few days, on Orders of the Day. I know there is no trouble to do that, and perhaps make headlines of it, but it is the principle of the thing, and where these people, and as I say, they are privileged, they are privileged people to get a licence, because there are many hundreds who cannot get a licence. And they are privileged. And we allow them to get liquor outlets, collect money on our behalf, and then not give it to us!

Now this is not all the licence owners, but there are a fair number of them that are collecting Social Security Tax. And I started off with, and perhaps I could be corrected: Are there any new regulations - is it the idea of the Board to put out such an enlightening booklet as we have here, to perhaps update it even to 1960 might bring us up ten years from the 1950 one, and let us know just what is happening. Is this the Bible of the tavern owner and the Board of Liquor Control? If so I say, we are certainly making bootleggers out of responsible people. It is quite interesting - some of these - you read it - In my day there was only one tavern in the Country, I think, that could sell beer over thirty-five cents. And that was the one in Gander. They had a special permit to do it. But now, as I say, I do not know if it is the Board's intention to set a price on beer. You go into one place, it is forty-five - another fifty, and fifty-five - whatever the profitable beer, I guess. Some people say, the nicer the chair you sit on, then the better the service; you pay more for it. Well possibly that might be it. It sounds reasonable.

But Mr. Chairman, I do not want to be too long. I think I have made ^{it} the few points I wanted to make, but this particularly, is the intention of the Board now - to publish regulations, up-to-date regulations, or is it going to be all contained in this Act? I think we have had about fifteen amendments to this Act over the years and

June 8 1970 Tape 1170 page 1.

and to consider late this we put through a few amendments earlier this year which permitted I think young people, nineteen or something, to play in bands and I think to work in these outlets. I think we have put out foot in the door now of lowering the age of what we used to call juveniles, at one time under twenty-one, but I do not think they are called juveniles any more. And I believe the next move will be then perhaps to lower the age for going into taverns down to nineteen. I think that was the first start, this amendment will be put in this year. But it is a worrisome thing for a lot of people to have young teenagers going into these places and being served liquor and I would only emphasize again, Mr. Chairman, that we strengthen our inspection department. We need an awful lot more than the five that are on the payroll here, I do not know if right throughout the Province where there are outlets. I presume they are travelling fairly continuously keeping the standard of our taverns and clubs up. I will say here that our taverns and clubs, almost without exception, are as fine as you will find anywhere throughout Canada, really maintained. They had to pay extra for their liquor last year to make up for keeping open the two cottage hospitals, I think it was the Botwood Hospital, the taverns pay a little bit extra for liquor than they do, the ordinary individual in the bond stores.

But I would be perhaps enlightening to hear from the minister when he replies about the regulations and perhaps any other ideas that the Government may have on any new innovations in the board and possibly, without a review, perhaps putting something else instead of that section 23, that I quoted in the Act, that would guarantee every Newfoundlander, every Newfoundlander an equal chance to get into what is now considered a legitimate business. If it were not we should not have them anyhow but we consider it legitimate - and that every Newfoundlander, no matter what his race or creed or political colouring is, should be given the same opportunity. So Mr. Chairman there is

June 8 1970 Tape 1170 page 2.

not much else I have to add but to again emphasize the fact and warn, if you like, the government not to tamper with the distribution of beer as it is at the present time. I think it has been excellently done and I am afraid if government gets into it that might be a little bit different than it is today.

MR. SMALLWOOD: Mr. Chairman, in reply to the hon. gentleman, I have to say in connection with salaries that these will all of them be increased by \$45 a month which will make a pretty substantial difference. With regard to the regulations, I can inform the hon. gentleman that the commissioner engaged of at the work now/revising the regulations that were last published quite a few years ago, as the hon. gentleman knows, 1950, twenty years ago. I do not know if there is any particular point to which I want to make any particular reply. I have listened to the hon. gentleman and with a lot of what he has said I agree. And with some of it of course, naturally, as you would expect, I disagree.

MR. BURGESS: IN a somewhat similar vein to what I had to say earlier on this issue prior to six o'clock, when I was complaining about the forty cents per bottle more for a bottle of liquor in Labrador West and other parts of Labrador with the exception of Goose Bay. The hon. Leader of the Opposition was talking about beer at this stage, mainly. I would like to point out to the committee and also I would like to ask of the minister concerned at this time, I would like to point out that also when you are talking about the purchase of beer in Labrador West, I believe, currently, if you buy a case of twelve here on the island of Newfoundland or in St. John's you pay \$4.11 for a case. Well, I wonder could the same consideration be given as stated by the minister relative to making the cost of a bottle of liquor equal both here and in Labrador? I wonder could the same consideration be given to beer; in that, when you purchase a case of twelve beer in Labrador West you pay \$4.40 for twelve, as opposed to \$4.11 on the island, which essentially is twenty-nine cents per case more and two point four cents per bottle.

Now I am sure that the committee, Mr. Chairman, I am sure that you can

June 8 1970 Tape 1170 page 3.

understand my concern in this matter. It is only one of many items that I have been complaining about, that the people of Labrador West and Labrador have been complaining to me about. Once again, I have to use the same argument that I used relative to the purchase of a bottle of liquor. I cannot see why people in a specific area of the Province should be penalized because of their geographic location. As I have said, this is only one of many items Mr. Chairman and I wonder could the same consideration be given either to lowering or assuming, the whole province of Newfoundland and Labrador assuming the cost of the transportation of beer also - beer that is shipped in Labrador because I cannot see why we should have to pay this additional twenty-nine or thirty cents approximately extra just because of the fact that we live in the western extremity of the Province. So I wonder; could the same consideration be given?

On another matter, Mr. Chairman, I believe I brought up in this House sometime ago and I received what I considered to be a very satisfactory minister answer from the then/also the hon. the Premier relative to the sale of liquor in Churchill Falls. - wherein, in the taverns there, they only sell one brand of beer on any given night. Tonight it might be Dominion and you cannot purchase anything only Dominion. And tomorrow night it could be another brand of beer but you cannot get any, and I wonder at this time - it was indicated that the minister concerned at that time that he felt that it was time that the people were given a free choice of the kind of beer that they would purchase, and that it would more or less be up to the individual who is buying it. That they would not just have this brand of beer on sale in any evening, or any one evening. And I wonder if anything, if any measures have been taken to remedy that, obviously, what is obviously a problem in Churchill Falls. Because I think it is bad enough that an individual should have to leave his home and go to work away from his family and that, but when he is penalized in his drinking habits also, because there are some people

65264

June 8 1970 Tape 1170 page 4.

who prefer a specific brand of beer and that he should have to purchase the brand that is only on sale on that evening, I think it is intolerable. So I wonder if any action has been taken on that matter as far as Churchill Falls is concerned. And also Mr. Chairman, I asked the question earlier on this evening relative to the shipments of liquor into Labrador West particularly and I wanted to know if all liquors all brands of liquor were shipped out of to St. John's and then from St. John's to Labrador West. Maybe I was not in the Chamber when the answer was given, if an answer was given, but I would like to know if any liquor was shipped directly from the place that it is made. Because if in fact we are shipped some liquor directly from, let us say Toronto or Montreal as the case may be. I am not saying this is where it is distilled or made, but if in fact it is being shipped directly without the necessity of coming to the island for whatever purpose the liquor commission have. If in fact it was shipped directly to Labrador West from where it is produced then essentially, using the same philosophy that you have to pay for transportation, we should have been getting liquor maybe forty cents per bottle cheaper than you were paying on the island let alone forty cents more expensive. So I did not get the answer to that and on the other matters I would like to know if any on Churchill Falls, I would like to know if any action was taken to throw the sale of beer open and on Labrador West I would like to know if the same consideration could be given to the sale of beer as was enunciated in this House today relative to liquor.

MR. SMALLWOOD: Mr. Chairman, in reply to these three questions I can say that with regard to the price of beer, the cost of distribution of beer, that matter is very much under active consideration by the Government at this moment, as it has been for some time past, with the result I think that some changes will be made. I can give no more information than that. In connection with the fact that beer in Churchill Falls is sold on the basis of

June 8 1970 Tape 1170 page 5.

one brand in any one night. - The brand changes from night to night but it is only one brand in any one night. When that matter came up here in the House before, in the present year, I said I would take it up with the liquor commission and I did so and the liquor commission are changing that to make it so that in Churchill Falls it will be like anywhere else in the Province. Any beer that is stocked by the vendor will be sold, all of it, regardless of what a customer may want. With regard to liquor going into Labrador the position is that in the city of Wabush and in Labrador City and in Churchill Falls, liquor goes in both ways, it goes in direct from the distilleries to those places or from the distilleries via St. John's. Some of it goes direct and some of it goes via St. John's. In the rest of Labrador, that is to say Lake Melville, it goes in from here on the CNR boats and so on.

MR. CROSBIE: Mr. Chairman, before the item carries I spoke before we adjourned and did not get a satisfactory answer on several points I raised. I raised the question of these leases, the Premier said he was going to get some information on it and he cannot have it yet. I am going to mention it again Mr. Chairman, because I think it is quite a serious matter. If you take the three Board of Liquor Control stores at Grand Bank, Placentia and St. Lawrence. These three stores, the government has entered into leases to rent the three of them for twenty years, they all have an area of 1665 square feet. The Government is going to pay for each one of them over the twenty year period of the lease, \$12,036 a year Grand Bank, \$12,036 a year at St. Lawrence, \$12,240 a year at Placentia. The case of Grand Bank over twenty years it is going to total \$240,720. What the Government is going to pay for 1665 square feet of space at Grand Bank, \$240,000 in twenty years. At St. Lawrence the same amount \$240,720 in rent over the twenty years and at Placentia \$244,800 is going to be paid in rent over the twenty year period. Now for three Board of Liquor Control stores alone, over the next twenty years, well the leases started in some cases two years ago some cases last year. For three Board of Liquor Control stores, tiny stores having 1665 square

June 8 1970 Tape 1170 page 6.

feet of space each, \$726,240 in rent over a twenty year period the Newfoundland people are going to pay. Now if that is not ridiculous Mr. Chairman I do not know what is. I said when Public Works estimates were up and I repeat now that a 1665 square foot store, and there is nothing else in the building could be built for \$41,000 maximum, \$25 a square foot. \$41,000. As compared to paying \$240,000 in rent under this arrangement over the next twenty years. So for a sixth of the sum, one-sixth, of what is going to be paid out in rent these three Board of Liquor stores could have been built by the Government and the Newfoundland Liquor Commission. It just makes no sense. If the \$41,000 were borrowed to build the store and we paid nine per cent interest on the whole \$41,000 for twenty years that would still only come to \$115,000 total. \$3690 a year interest. The whole thing would have been less than half what we are going to pay in rent, it just makes no sense whatsoever, Mr. Chairman. I have not been able to find out yet who is responsible. Was it the department of Public Works that entered into this ridiculous and outrageous arrangement? Or was it the Newfoundland Liquor Commission, who is responsible?

Because in any other Province it is such gross carelessness and dereliction of duty that a government would fall or a minister would have to resign. That is how serious it would be anywhere else. Paying at least two dollars a square foot over what should be paid for, not for a five year lease or a two year lease or a three year lease, but a twenty year lease. A twenty year lease. I mean the thing just boggles the mind. It staggers. You get the blind staggers when you think of it, \$726,000 in rent, over the next twenty years and we could have had all three buildings for \$120,000 if we built them. So I just repeat that again, because we have not had the answer yet. We should get the answer, is there some explanation, if there is not who is responsible? Who is responsible? That is the question. Unless there is some reasonable explanation. I asked before we adjourned about this Ben Ginter deal. There was Ben Gunn in Treasure Island and Newfoundland's Ben Gunn is Ben Ginter.

June 8 1970 Tape 1170 page 7.

Ben Ginter is the B.C. Industrialist he was going to save Atlantic Brewing and pay the government back their \$407,000. Now I ask two or three questions there were quotes in the paper from Mr. Ginter, Mr. Chairman, One of them was a statement from Mr. Ginter in February that the government was going to permit him to cut the price of beer. The Premier has not confirmed or denied it. Surely, if what Mr. Ginter said is wrong, that the government never agreed with him that he could cut the price of beer it is a simple matter for the Premier to say this is nonsense. We have never agreed. He says: "I have permission to put in a can line and to cut the price of beer." Now God knows the price of beer should be cut Mr. Chairman. It should be cut. Because the price of beer in Newfoundland is the highest in any Province and we have the lowest per capita consumption of beer of any Province, because the price is so high here in Newfoundland. But the high price is due to the high tax or the high commission of \$2.49 per case, two dozen beer.

Mr. Ginter says: It was agreed that he could cut the price of beer. The Premier confirmed this afternoon that Mr. Ginter could put in a can line. There is nothing wrong with that, if a canning line is advantageous, fine, let us have canning lines. But is this cut in the price of beer just to be for Mr. Ginter? Is he to be the only one allowed to cut the price of beer? Is the Government going to reduce the commission that Mr. Ginter alone has to pay on beer if he takes over Atlantic Brewing, these are all the questions that are raised.

Now the Premier said that Mr. Ginter is a great one to talk to newspaper reporters, and discussing his business. Well we all know the Premier never does that, never. We never heard about this Atlantic Brewing from anyone but Mr. Ginter. The Premier would have us believe. Well we heard about it on conversations, that atrocity that is on the air every morning, at 10:15 A.M. We have heard about this Atlantic Brewing for months. We were told in this House three or four weeks ago Mr. Chairman, that the deal was signed or about to be signed. It was all ready to be signed. Now is there a

June 8 1970 Tape 1170 page 8.

deal about to be signed or ready to be signed or not and if it is only the lawyers, we were told the lawyers were holding it up Mr. Chairman, those lawyers, those slow lawyers, those Duckworth Street lawyers, those plutocratic lawyers, those lawyers who are out of touch with everything, those lawyers who are so busy they cannot get any work done. They have been holding up the whole thing, we have been told, this Atlantic Brewing deal, complicated legal documents were holding it up. Well that was several weeks ago. Several weeks ago. Now, Mr. Chairman, I say there is no lawyer hanging this matter up at all. If it cannot be said tonight that there is an agreement and what it is; I say there is no agreement. What man in his right mind is going to take over the Atlantic Brewing assets and voluntarily agree to pay the Newfoundland Government \$407,000 commission on beer, that they are owed by Atlantic Brewing?

Unless the government is going to give him the \$407,000 in another direction - let him pay it off so it will look better for the Government. All of those questions are up in the air, the House of Assembly is now open this is the time for us to hear. What is the agreement with Ben Ginter? If the lawyers are working on the deal all the points are agreed. You do not call in lawyers to work on it Mr. Chairman, until everything is agreed. Then you call in the lawyers and you instruct them. "Gentlemen, here is what we have agreed on, these are the conditions, now we want you to put that in an agreement and get all the legal points and see we are both protected." That is how it happens. The lawyers do not think the deal up. The principals agree on the deal, they instruct the lawyers to draft.

Now lawyers were instructed weeks ago, according to the Premier, to draft the agreement. So the thing is all agreed, why cannot the people of Newfoundland and this House be told what the agreement is? That is all I have to say about that Mr. Chairman. It is no good flogging a half-dead horse, not even if it is a black horse.

Ben Ginter talks to the press. The hon. the Premier never does, never

June 28 1970 Tape 1170 page 9.

discusses the business of Newfoundland with the press, until every "t" is crossed and every "i" is dotted. What next are we going to be asked to believe. The biggest kind of deals hundreds of millions are discussed in this House and in public and on VOCM before there is ever a pen put to paper, before a typewriter key ever hits a piece of paper. So that does not excuse the failure to answer. Is there an agreement with Ben Ginter what is it, is he going to be allowed to cut beer he alone or what? And I would like to refer again, just to show the importance of this point.

It is all very nice Mr. Chairman, to be quite glib about the distribution of beer and how there is going to be \$500,000 saved if the three breweries are not allowed to distribute it. The breweries now have distributors. They take the beer, they deliver them all around the island, they bring back the empty bottles all of that business they do. The Government takes over the distribution of beer. If the government is going to perform the same service it is going to cost almost as much, it may eliminate certain distributors you do not need because there are three breweries in it now. But ^{if} the government performs that same service the saving will not be all that much. And if the government does not distribute it at all, if the government does not bother to truck all around the island, but start some other system there is going to be a hundred and sixteen employees of distributors out of work. There are fifty full-time distributors, some of them of course, may be limited liability companies, they are not people, and 116 employees.

So suppose the liquor commission of the government gained three or four hundred thousand dollars. What is going to happen to the 116 full-time employees of the distributors do they all go on welfare? At \$3000 a man per year some figure like that, three or four hundred thousand from the Treasury. That is the kind of thing that has to be looked at in this. Mr. Chairman, not just an apparent increase in Government revenue. I would like to have it explained how beer can be distributed with any large savings.

June 8 1970 Tape 1170 page 10.

without putting those 116 people or a large number of them out of work. And I am sure the government will not forget that when their negotiations were on what the Premier said about this very matter. So I hope that they will not forget these people who are now all employed earning I think fairly good money. And one last point Mr. Chairman, the Newfoundland Liquor Commission permitted three hundred and forty-three thousand dozen of beer to be distributed, sold by Atlantic Brewing from May 1, 1968 to May 1, 1969 according to the writ filed in Supreme Court and did not require Atlantic Brewing to pay over, each month after the preceding month, by the twentieth of next month, did not require them to pay the \$2.49 per case profit or commission of the Newfoundland Liquor Commission to the Board. Which is required by the Alcoholic Liquors Act, specifically required, the Act says shall, they shall turn over on the twentieth day of the month of the month succeeding, the month they deliver and sell the beer the \$2.49. The commission did not require it. The Newfoundland Liquor Commission did not make Atlantic Brewing do that.. The Hon. member for Fortune told us that as minister of Finance he only heard about this on October 1, 1968. This is the Newfoundland Liquor Commission Mr. Chairman we are discussing. This commission did not collect this commission on beer and that is what I am discussing.

I do not care if it has been discussed in this House five hundred thousand times I submit I am entitled to discuss the Newfoundland Liquor Commission and their duties under the Act and whether they have carried them out. The minister of Finance, who is responsible for the Liquor Commission, did not even hear Atlantic Brewing were not paying this commission from May 1, 1968 -

MR. SMALLWOOD: This has been thoroughly debated before in the House in this present session. All the rules say that this same matter cannot be debated twice. Thoroughly debated, the question of Atlantic Brewery and their failure to pay the Liquor Board its commission. Thoroughly debated. In a previous debate.

June 8 1970 Tape 1170 page 11.

MR. CHAIRMAN: The House has heard it all before but even so we are now debating the salaries of the Newfoundland Liquor Commission and presumably it is relative to that -

MR. CROSBIE: Yes, that is right Mr. Chairman, I have no intention of going all over this again I am just showing how it relates to the Newfoundland Liquor Commission.

June 8th., 1970 Tape no. 1171 Page 1

Mr. Crosbie.

The Minister of Finance at the time (the hon. member for Fortune) did not learn of this until October 1, 1968. That is May, June, July, August, September - six months later he was informed, and he conducted the Newfoundland Liquor Commission. So, he said in this House. The Chairman of the Commission sent him a copy of the letter, the hon. the Premier had sent Mr. John O'Dea, December 1966, purporting to exempt them from paying what was called in the letter this tax of \$ 2.17 which was then \$2.49 per case.

Now, Mr. Chairman, it is quite clear that no matter who that letter fooled or did not fool, it certainly fooled the Chairman of the Newfoundland Liquor Commission. This letter that was signed apparently without anyone reading it. It was sent to the Chairman of the Newfoundland Liquor Commission. He read it. For six months, in fact for a year, he did not collect the \$2.49 per case and the reason he did not collect was because he had this letter. The letter certainly fooled a lot of people. It fooled the Chairman of the Newfoundland Liquor Commission who thought - not to collect this commission. It fooled the Atlantic Brewing people.

MR. SMALLWOOD: Mr. Chairman, I see no..

MR. CROSBIE: Is this going to continue - these silly points of order?

MR. SMALLWOOD: I seriously suggest to your Honour that it is completely unparliamentary and completely out-of-order, when a matter has been widely debated in a given session, in another session yes, but in the same session, when a matter has been thoroughly debated, thoroughly debated by many speakers, many debaters, then to raise it again under another heading in the same session of the House is thoroughly out-of-order your Honour.

I submit that.

MR. CROSBIE: On that point of order, Mr. Chairman, if this matter were being investigated as it should be by a commission of enquiry or by a select committee of this House, we would not need to mention it at all.

MR. CHAIRMAN: Order.

MR. CROSBIE: We are now discussing the Newfoundland Liquor Commission and the salaries, including the salaries of the chairman and the membership. Surely, whether they perform their duty or did not during the period under review is certainly relevant to us to discuss. That is what I am trying to discuss. Failure to carry out Statutory instructions of this House of Assembly.

MR. WELLS: Your Honour on that point, may I...

MR. CHAIRMAN: As far as the Chair is concerned, the fact that particular matters may have been referred to in debates on other resolutions or thoroughly debated on other resolutions does not really alter the fact that at the present time the committee is being asked to approve a vote for the salary of the Newfoundland Liquor Commission. I think that under this vote, the performance of the Newfoundland Liquor Commission is relevant, and I would have to hold that the matter is in order.

MR. CROSBIE: Right. Well all I say is this, Mr. Chairman. That it is a Statutory duty of the commission - it is certainly their duty to carry out legislation passed by this House and the Alcoholic Liquors Act could not be more clear on this matter. It could not be more clear. If there is any doubt about it, a reference to a solicitor of the commission would settle that for them in one minute, that they had to collect the commission. But someone sent the Chairman of the Newfoundland Liquor Commission - this is not a select committee, we cannot question the chairman. This is not a committee of enquiry, which there should be in this matter. We cannot question that chairman. We do not know who sent the chairman the letter, whether it was sent to him by the Premier or copies sent by Atlantic Brewing. We do not even know how the chairman got the letter. But the chairman thought that the part of the letter that exempted Atlantic Brewing and I will give you the wording: part (3), "the taxes imposed by the Board of Liquor Control and presently amounting to \$2.17 per case of beer sold or shipped from the plant" - the chairman thought, as Mr. John O'Dea

Mr. Crosbie.

thought; as the Royal Bank of Canada thought, as the Montreal Trust Company as the finance companies thought, as everyone who came in contact with the letter thought - thought that that meant that Atlantic Brewing was exempt from paying this commission. If the chairman did not believe that, if the chairman did not honestly and in good faith believe that, then it was gross neglect of his duty not to collect this money. Knowing the chairman, as we know him, I am sure that that was not the case. So, the chairman thought that Atlantic Brewing had such an exemption.

Well I am now only mentioning this again, and I will not continue the point, because it seems to be a sensitive matter. I only mentioned the point again, Mr. Chairman, to point out this; how badly this whole matter of the Atlantic Brewing business and the exemption, the failure to collect the commission - how badly that needs to be investigated by a commission of enquiry. So that the public in this House will know who is at fault, what is the true story, question witnesses, cross-examine them. Is it the chairman's fault, of the Newfoundland Liquor Commission? Is it the Minister of Finance's fault? Was it the Premier's fault? Was it all their fault? What happened? Never did any situation cry out for a commission of enquiry more badly than this one. It has been discussed here before and there is no point in saying anything more than that about it. I do not think the matter should just be allowed to die. When the Newfoundland Liquor Commission's estimates are before us, it should all be explained.

There was a select committee promised to be appointed. It has never been appointed - to consider the Auditor General's Report. This thing is just going to be allowed to die. It is hoped that it is going to be allowed to die. So that these are just some of the points that have been brought up, which have not been answered, Mr. Chairman, and should be, now that these estimates are before the House.

MR. COLLINS: Mr. Chairman, in connection with what the hon. member for St. John's West just said, when do the Government propose to establish

Mr. Collins.

the select committee on public accounts, and it was only last week, I believe, Mr. Chairman,

MR. CHAIRMAN: I think we have gone as far as we can go on this. I do not quite see what the select committee on public accounts has to do with the salaries of the Liquor Commission.

MR. COLLINS: Mr. Chairman, it seems that the hon. member for St. John's got away with this for about a half hour. Certainly, I am entitled to make a few comments on it.

MR. CHAIRMAN: I do not quite appreciate the remarks that somebody got away with something, but I ^{am} dealing now with the particular problem that the hon. member is raising and that is the Auditor-General's Report and I do not see how that has the slightest relevance to the salaries of the Newfoundland Liquor Commission.

MR. COLLINS: Mr. Chairman, perhaps, the Premier might indicate to us, in his response to some other questions, what time we might expect the appointment of the committee on public accounts? Now, sir, there are one or two things that I would also like for him to respond to. One is with regard to the price of beer. I understand that a dozen of beer in St. John's sells for \$4.11. It is also my understanding that that same price holds true - in other words the same price all across Newfoundland where there is a B.L.C store. I do not know how many stores there are but certainly in some of the larger communities, they do have B.L.C. stores and beer sells for \$4.11.

Mr. Chairman, the poor fishermen down on Fogo Island or Musgrave Harbour or Carmanville or Bonavista or any of those places and, after all, we are talking about beer, which is a poor man's drink. Those people have to pay \$4.54 for it - that is a twelve bottle case of beer - one dozen of beer which is certainly more, I believe, than is paid in Labrador.

Mr. Chairman, this is ridiculous, in my mind, because as I have said - we are not talking about champagne - we are not talking about expensive scotch or rye, but we are talking about a poor man's drink - the drink of beer,

Mr. Collins.

Jockey Club or Dominion or whatever it might be. For a fisherman or anyone for that matter, whatever he might be doing, living in some of the more remote areas around the coast, for him to be required to pay \$4.54 is a little bit ridiculous and shameful, in my opinion.

I remember last year, when debating the estimates on the Newfoundland Liquor Commission, I brought up the point about beer in the rural areas being available only in twelve bottle cases - one dozen bottle case. I indicated at that time that it should be possible for those people to be able to buy one bottle of beer, if they need it. Changes are, it is all they can afford, and they might need to quench their thirst on a hot day. Certainly, if they cannot buy one bottle at a time, they should be able to buy the half dozen case. I wonder would the Premier respond to that? And tell us when we can expect that those people can get a beer when they want it at the same price that I can get one in Gander or someone can get one in Corner Brook?

MR. CHAIRMAN: Shall the item carry?

MR. COLLINS: No, let us have an answer to that.

MR. SMALLWOOD: Can we have the question in short form?

MR. COLLINS: Why does a man in Carmanville have to pay \$4.54 for a twelve bottle case of beer, when a person in Gander can buy it for \$4.11? Why do you have to buy a dozen, instead of one, two, three or four bottles?

MR. SMALLWOOD: The brewers' agents get \$.40 commission for themselves.

MR. CHAIRMAN: Shall the item carry?

MR. BURGESS: Mr. Chairman, during the many discussions that have gone on in this House, relative to the brewing of beer and the distribution of liquor, it has been made quite clear to all in this House and to practically everybody in this Province that every drop of beer that is brewed belongs to the Government and, as we can see by these estimates, it is a fairly lucrative field in that the profits were somewhere in the region of \$14 million, as stated in these estimates.

Mr. Burgess.

Now, Mr. Speaker, I just like to say something relative to the moral aspects of the sale of liquor and beer. Now quite rightly so, the consumption of liquor, the consumption of beer, it is a luxury and possible quite rightly so in the desperate - striving to accumulate dollars to run your Province - possibly quite rightly so, it is the proper thing to do, to latch onto luxuries and to tax them to the extent that they can be taxed. When you are talking about the sale of alcoholic liquor, you are talking about the ownership and sale to the general populace of something that is to a great degree a harmful produce.

Now since the Government have seen fit to take over the distribution and the brewing of this, shall I say; harmful product, and to distribute it, I think that is a great moral aspect of it, and I am surprised that some of the religious denominations have not implied this before or requested that somewhere, since there is such a great profit, somewhere in the Board of Liquor Control or within this department, there should be a section that assumes responsibility for the results of the sale of this liquor. I am sure that there is nobody but can deny that the sale and the consumption of liquor leads to a lot of hardships in a lot of homes all across the world.

MR. CHAIRMAN: I believe the hon. member is getting away out of...

MR. BURGESS: Mr. Chairman, I am..

MR. SMALLWOOD: Your Honour, we hear so few sermons in this House, in this committee that I think we might let the parson go on.

MR. BURGESS: Thank you. As one parson to another, Mr. Chairman,

MR. CHAIRMAN: I do not think so. After all, the Newfoundland Liquor Commission is a Statutory body carrying out the legislation of this House and I do not see any relevancy there at all.

Shall the item carry?

MR. HICKMAN: Mr. Chairman, four sessions - this is the fourth of this

Mr. Hickman.

House that I have sat through. Whenever we come to discussion of the estimates of the Newfoundland Liquor Commission, we get the same sort of discussions, suspicions, veiled accusations, discrimination against people, because they do or do not subscribe to alleged political philosophies - people who are scared that they are going to lose their licences, if they decide to speak their minds on other matters of public importance.

Surely, when you hear this year after year, after year, there must be something to it. If there is not anything to it, I would think the Government would be very anxious indeed, and I know that the Newfoundland Liquor Commission is most anxious to remove any suggestion of suspicion or finger of suspicion which might be pointed at that commission in the discharge of its duties. I think most of us and certainly the members of this hon. House, I am sure, are plagued, almost weekly, by people, constituents looking for liquor licences, looking for beer agencies or distributors' licences or whatever they call them and when you tell them that the Newfoundland Liquor Commission is a completely and absolutely independent organization, and that it gets its direction from the House of Assembly and no one else, that an Act is passed and if that is applicable to the Newfoundland Liquor Commission, they state it in the Act and the regulations, and they sort of look at you, as if you have taken leave with your senses. They will argue you and tell us that this is not so. They know so and so who had a great deal of influence, he got his licence and someone else did not.

But that, whether these accusations are correct or not, is not that important. What is important is that when you are dealing with a sensitive means of raising funds for the Province, and when you are cutting across sensitive lines, insofar as certain organized bodies are concerned, then it is absolutely essential that this Newfoundland Liquor Commission remain completely free and independent. That this committee votes the money necessary for the commission to operate, The

Mr. Hickman

House of Assembly tells the Liquor Commission the guide lines that it must follow and that is the end of it. But obviously, Mr. Chairman, this is not the impression that has gotten abroad throughout the Province.

MR. CHAIRMAN: I am not too sure an hon. member is in order in casting reflections, directly or indirectly, on the manner in which a high-ranking public servant carries out his duties, unless there is something more to follow, in other words; some allegations or something of that nature. But to just generally reflect upon the way in which a high-ranking official carries on part of his duties; according to Beauchesne, is not considered to be quite parliamentary, unless it is going to be followed by some kind of a charge.

MR. HICKMAN: Mr. Chairman, if that is the interpretation Your Honour is placing on what I am saying, it is right the reverse of what I am trying to say. What I am trying to say is that, in my opinion, and from my experience, the Newfoundland Liquor Commission - the personnel of that commission..

MR. CHAIRMAN: What the hon. gentleman is saying - "you know people are saying you are a liar, but I do not say it."

MR. HICKMAN: What I am saying is this: that every year in this House, and we have heard it already during the sitting of this committee, that the Newfoundland Liquor Commission is subjected to outside pressures. Now that is not a reflection on the work of the members of the Newfoundland Liquor Commission. What I have been leading up to and what I am trying to say is this - and there is provision . . .

MR. CHAIRMAN: I do not want to get into a debate with the hon. member. I have heard hon members make the suggestion but no hon. member has said who has said this. This is not quite parliamentary to be doing that, because the reason is that the civil servant concerned is not in a position to protect himself, And I think Beauchesne says quite clearly that aspersions were not to be cast upon senior-ranking civil servants who are not in the position to protect themselves, unless the hon. member making these allegations is prepared to carry the thing through further. We have not had that here today.

MR. BURGESS: They are not in a position to defend themselves either, Mr. Chairman.

MR. HICKMAN: No, but Mr. Chairman, let me repeat what I am saying - let me repeat what I am trying to say. (1) I have great confidence in the Chairman of the Newfoundland Liquor Commission. I knew him, when he was a high sheriff of this Province, and I know he discharges his duty with great fairness and without discrimination. That is not the problem, Mr. Chairman. The problem is that the Alcoholic Liquors Act, partially by virtue of the very provision which says that the commission can reject applications for licences without giving any reason and the fact that every hon. member of this House, I suspect, bar none, have been subjected to the complaints and requests for assistance to get liquor licences. Why should the members - why should they come to the members - why should constituents come to members of this House and ask for assistance in obtaining a liquor licence, when we have a completely free or the Act provides for a completely free and independent Liquor Commission?

If there appears to be a public need in a particular community for a brewer's agent, or if someone in the interest of establishing a tourist outlet needs a club licence to make this a viable operation, then surely, all he has to do or should have to do is go to the Liquor Commission and say; here are the facts. Here is a list of establishments in the area now. Here is a population count. Here is why I think this will be successful. Here are my character references and here is an indication that I have the financial resources to carry it out.

Now, if that criteria is met, then, regardless of who the person is, he or she should be entitled to a licence. Now how do we remedy this? How do we avoid this consistent year after year discussion as to how you get a liquor licence and how do we eliminate the pressures that build up on hon. members of this House for assistance in obtaining licences? Surely, the way to do it is to provide that there should be a right of appeal from a decision of the Newfoundland Liquor Commission. That

Mr. Hickman.

works both ways. If the inspectors, and we have not got enough of them, but if the inspectors find that there has been a breach of a regulation and that that breach is of sufficient seriousness to warrant a suspension or cancellation of a licence, and the person feels aggrieved then all they have to do is appeal it to a judge of the Supreme Court. If the commission were correct in arriving at this decision, then the suspension will be upheld, if not, the licence will be restored. The same thing, Mr. Chairman - this is not unusual, because Liquor Commissions in other provinces are placed in the same category as, say, the Board of Commissioners of Public Utilities; that the yardstick for deciding on an issuance of a licence is public convenience and public need. That is the real yardstick and if an applicant, before any of these quasi-judicial bodies can find - can meet that yardstick, then they should be entitled to the redress they seek from that commission. If they go away aggrieved, then many people feel justifiably that they had been aggrieved but sometimes without just cause. Obviously, if they have the right to appeal, that eliminates any suspicion, that satisfies any applicant that we have a completely free and independent commission - the Newfoundland Liquor Commission.

On the question of salaries for the Newfoundland Liquor Commission, let me repeat that the individuals who make up that commission, the chairman and the three members, I believe, not only put in a good day's work in the discharge of their duties, but they try and discharge their duties as fairly as they possibly can, and if they want protection, and if you want to keep the public reasonably happy, then surely the way to do it, is to allow an appeal. And I have never seen a commission, be it a Liquor Commission or a Utilities Board or a Workmen's Compensation Board or other quasi-judicial boards, that have the right to take away or grant, that does not welcome the right of appeal. It gives them protection and it gives them a certain status in the eyes of the public that they

Mr. Hickman.

very much want.

MR. SMALLWOOD: Mr. Chairman, I would not want to follow the hon. gentleman through his argument but I was rather intrigued by one question that he asked which was: why is it that people come to members of the House of Assembly to get help from them, from the members, to get liquor licences? Why is it that members of the public comes to members of the House of Assembly, elected members, seeking the help of the members to get a liquor licence? It is a very good question, and we might, while we are at it, ask another question. Why is it that members of the public come, as they do so often, to ask members of the House of Assembly to get them a job? Why do they come and ask members of the House of Assembly to get them a house? Why do they come and ask members of the House of Assembly to get them an apartment? Why do they come to members of the House asking members of the House to get back their driver's licence, when they have lost it.

MR. SMALLWOOD: to help you get a longliner; to help them get a Government loan for some purpose or other ; to build a tourist place or to do anything. To get a license to cut pulp wood, why do they come to members of the House? And every member of this House has had people come to him, every member for these and endless variety of other requests numbering hundreds, the reason is that people in every part of the world, where they have Elective Houses consisting of members who were elected by the people in an election, have the habit of believing, rightly or wrongly, naively or with sophistication, with knowledge or in ignorance, however, have the belief that the member of the House of Assembly is a member of the Government. That everybody in this House is in the Government. You hardly ever heard anyone in this House, no matter what side he sits on, no matter whether he is in the Government or just a private member of the House supporting the Government or opposing the Government, they are all in the Government. You are elected to the Government. And the feeling among the public is that everybody up here is in the Government, and we are the right people to come to. Who else would you go to? Who else would you go to, if you wanted a favour done? And who knows what the favour is? Who can imagine what the favour is? It is incredible what things there are that members of the public will think of, will want, the favours they will want done. It is incredible, it is unbelievable. The endless, the infinite variety of things that members of the public want done, and they turn instinctively to the elected members, their members, they turn to their members, not just for information and advice but for actual favours to get done; and there are Boards, such as the Liquor Board. There are Boards, such as the Workmen's Compensation Board. There are Boards, such as the Public Utilities Board. There are Boards, such as the Civil Service Commission. There are Boards such as, the Unemployment Commission. There are Boards, such as the Industrial Development Bank, and five Provincial Loan Boards. There are all kinds of officials boards to whom, properly, you would go, but it

MR. SMALLWOOD: is to the member, the elected member, that people go, and this is understandable. Whether it is right or wrong, it is understandable, it is very human.

So, when the hon. gentleman asked why is it - why is that people who are looking for a Liquor License to sell beer, or a Brewers License, or a Hotel or a Lounge License, why is it, they come to a member? For the same reason, Mr. Chairman, that they come to the elected member for thousands of things. Things of a thousand kinds, that they want to get done, and it is natural. And when they stop doing it, which they had to do when the Commission of Government came to Newfoundland, the only thing that was set up in Newfoundland to take the place of the House of Assembly and the elected member was the Ranger Force, the Newfoundland Ranger Force. And young men were sent around in uniform, around and throughout this Island, and in Labrador, and then they appointed some district magistrate, and these district magistrates and the ranger force were suppose to be the contact with the people. And if you wanted any favour, that is where you went, today instead you go to the elected member. This is natural, there is nothing surprizing about it. The surprizing thing is that any hon. member of this House should get up and ask the question; "Why do they come to members of the House, if they want a Liquor License?"

MR. HICKMAN: Mr. Chairman, to ask the question, is to answer it. There is a big difference between constituents who come to hon. members seeking assistance to look for workmen's compensation. I had constituents come and say that they believe they are entitled to workmen's compensation. And what they want to know is the procedure they had to follow. Where do they find the Workmen's Compensation Board? Do they have the right of appeal? Is this the type of claim that justifies retaining a lawyer to go with them before the Board? You get the same situation when Municipalities find that they are being aggrieved or they believed that they are being aggrieved with reference to utilities and telephone rates and power rates. And they come again, and they want to know what the procedure is. But this is not the approach that hon. members get from people, it is a completely different reason. They came and say, "get me a liquor license. You tell the Board." And this is the point that

MR. HICKMAN: I am trying to make, that we have to convince our populace that the Newfoundland Liquor Commission is free and clear of all influence. And I suggest maybe the reason why you get a different approach with reference to the Board of Commissioners of Public Utilities or the Workmen's Compensation Board or some of these other boards, is that you have the right of appeal in these boards. All of them are made up of very competent men. And the members of the Newfoundland Liquor Commission fall into that category.

It is not a request that you get from constituents, it is almost a demand, that you demand, that they get their liquor license. And that is the difference. That is why the question is pertinent, and that is why the question cannot simply be answered by saying that it is the responsibility of every hon. member of this House to look after the needs of his constituents. It is quite different, it is a completely different quintal of fish, Mr. Chairman, and every hon. member of this House knows that is true too.

MR. T. HICKEY: Mr. Chairman, I had a few things to say along the same lines, when a Bill came before the House not too long ago to amend the Alcoholic Liquors Act.

Sir, I believe, nothing can be lost by setting up some kind of an appeal board for people who want to make application for a license. We have an appeal board for Workmen's Compensation. If an applicant is not satisfied with the decision that is rendered, he has the right to appeal. If a recipient is not satisfied with the decision made by the Department of Social Services and Rehabilitation, he always had a recourse.

During this present session, we are advised that he will now have a board to which he can appeal his case. And so it goes, Mr. Chairman. In almost every facet of Government, there are appeal boards. And we are getting more and more of them, and rightly so. This to my mind strenghtens the argument that there should be an appeal board, so far as the Liquor Commission is concerned.

I think, too, Sir, it takes an onerous responsibility from the administrators of the Liquor Commission, not that they should not have responsibility, but rather that they are the victims sometimes of rumors,

MR. HICKEY: innuendoes, and inferences and what not. Who is to say whether such charges are justifiable or not? But, I think, it is unfair that the people who are responsible for the Liquor Commission and the administering of the commission should be tagged, as it were, in the manner in which they are.

It is fine, Mr. Chairman, for anyone to say that there is nothing wrong insofar as the manner in which licenses are issued. But, Sir, I believe and I think every hon. member of this House realizes that, if one were to go to almost every tavern holder, every license holder, be it a tavern, a motel, club, let a member of this party, which I represent, for example, or any other party other than the party which is in power, go to the holder of a license. Mr. Chairman, he will find, to his dismay, that if it is a favour he is after, if it is a donation he is asking or if it is a matter which he wishes to discuss with the owner of that tavern or what not, he will find in too many cases a kind of fear on the part of that license holder. Afraid to be seen talking to a member of this House, who is not on the Government side. This is almost unbelievable, Mr. Chairman, but this is factual.

MR. SMALLWOOD: It is not almost, it is quite.

MR. HICKEY: Well, Mr. Chairman, I am not going to involve myself in personalities in terms of giving name, but, if the hon. the Premier wishes names, I will be glad to meet with him privately and give them to him.

MR. SMALLWOOD: I would be glad to meet the hon. gentleman and every name that he gives me, who is a license holder and a Liberal, I could match him with the name of one who is a Tory.

MR. HICKEY: Oh, Mr. Chairman, I have never said that. They are probably all Tories for all I know. Without a doubt a fair percentage of them are.

MR. SMALLWOOD: That is the right word, a fair percentage.

MR. HICKEY: Because they are on the increase throughout the Province at the moment. Tories. But, Mr. Chairman, that is not the point that I am making, the point I am making is this; that whatever their politics might be they are in fear of letting that be known.

MR. SMALLWOOD: Nonsense. That is utter nonsense.

MR. HICKEY: They are. It is not nonsense, Mr. Chairman.

MR. SMALLWOOD: Oh! come off of it, look at every election. Go around Conception Bay, and Trinity Bay in the last Federal Election. Go anywhere in the Province.

MR. HICKEY: It is not nonsense. I know from where I speak.

MR. SMALLWOOD: Oh come off of it. It is utter trash.

MR. HICKEY: I know from where I speak. And we also know too, Mr. Chairman, that there have been licenses cancelled or suspended for various reasons. And I say, Mr. Chairman, and I make no apology for it, that for every license that is suspended or cancelled, whatever the reason might be, whether it be a dirty glass, a dirty washroom, I maintain and I would say that I would get a great amount of support from the general public, when I say, that every single tavern, motel, hotel, or club could be closed at that same moment, for that same reason. Now why would we find a certain individual closed or his license cancelled or suspended?

MR. SMALLWOOD: Because the inspectors do not go into every retail outlet on the same night or even in the same week.

MR. HICKEY: I appreciate that, Mr. Chairman, and I am the first to agree. We could not expect to see them all closed at the one time. But it is rather interesting that there are certain tavern owners, club owners, hotel owners, who have yet to have their license suspended. Are we to assume, Mr. Chairman, that they are better than the other people?

MR. SMALLWOOD: Yes, of course, certainly.

MR. HICKEY: No, certainly not. Certainly not. And again, I know from where I speak, I can prove it. And I know that there have been inspectors in there. They are doing their job. They visit those places. They are reasonable inspectors. They just do not suspend somebody's license for a minor infraction.

MR. SMALLWOOD: They are suppose to warn them.

MR. HICKEY: Because somebody forgot.

MR. SMALLWOOD: They are suppose to warn them.

MR. HICKEY: Oh, Mr. Chairman, it is most unreasonable, it is not even logical for an inspector to close up a tavern or a club, because the rest room is not as clean as it should be. Sure they can give a warning,

MR. SMALLWOOD: Well they should be given a warning, and the next time they should, if they do not take the warning.

MR. HICKEY: Yes, Mr. Chairman, I would not agree more, a warning.

But I submit that in some cases they are closed or their license is suspended.

MR. SMALLWOOD: If the offense is bad enough.

MR. HICKEY: Another clear cut example is people under the age of twenty-one years. Here again, it is next to impossible, or at least under the old system, we heard that there is a change in that now, and we welcome it. But under the old system, Mr. Chairman, it was next to impossible to determine who was of twenty-one and over and who was under, for people do not always look their age. Sometimes they look older than they are. And it is next to impossible for an operator of a tavern or a club to be always one hundred per-cent correct in terms of who, he or she, lets into their premises. But again people have lost their licenses for the very same reason that somebody was found on the premises, who was under the age of twenty-one.

Sir, I do not think, and I only mentioned those cases, it is not a matter of becoming politically. This is not the purpose for which I mentioned it. I mentioned it to add support to the idea put forward by my colleague, the hon. the member for Burin, who suggests that there should be a right of appeal, an independent appeal board for people who have their licenses cancelled or suspended. Indeed for people who make application for licenses, and who are refused.

I must say that whatever other problem that I have in my constituency, I certainly do not have the problem of having people coming to me to assist them in getting a liquor license. And maybe it is because people in my constituency are very well versed in how licenses are required. But, I have had numerous people come to me to say that they would like to have a license, they are looking for a license. But I have never yet, Mr. Chairman, had one person say, "will

MR. HICKEY: you try and get me a license?" In each and every case, it is in the opposite, "we know, Mr. Hickey, you cannot help us, because of where you sit." And this is incredible, Mr. Chairman. I am not saying here that this is true, I am not saying that it is well founded.

MR. SMALLWOOD: It is fair, it is mercy, mercy, mercy.

MR. HICKEY: Mr. Chairman, I am having mercy on the hon. the Premier. I am asking him to have mercy on the people who sit over on that side of the House, as well as those gentleman who administer the Liquor Commission, by agreeing to set up an independent appeal board. And all of this nonsense that is what it is, about how one gets a license. All of this will be stopped.

Mr. Chairman, there is nothing to be lost in setting up such an appeal board. But there is a darn lot to be gained.

MR. CHAIRMAN: Shall 1201-01 carry?

MR. WELLS: Mr. Chairman, I am still waiting to hear the hon. the Premier reply to the questions raised by the hon. the member for St. John's West. The Chairman of the Board of Liquor Control, it has been pointed out, was under direct order or he had a letter send to him or he was incompetent or grossly negligent in his duty, something of this nature must have happened for him to fail to collect the commission due from Atlantic Brewery for that period of time. We are voting now on the salaries of the Chairman, and this is the proper place for us to determine whether or not the Chairman has any responsibility. And the only person who can do that is - is to answer, for this man who is putting the estimates through, to answer, and if the Chairman did not have it, who has it?

MR. SMALLWOOD: I will be very happy to answer that in behalf of my friend, the high ranking civil servant, who sits beside me tonight, the Chairman of the Newfoundland Liquor Commission. The company in question, I think, through the person of Mr. O'Dea, I would assume, I do not know, but the company - was it Mr. O'Dea? Mr. O'Dea himself delivered it to Mr. White, the Chairman of the Liquor Commission, a copy, I suppose, a photostat, of a letter that I had signed for Mr. O'Dea. And the Chairman of the Commission had no reason in the world to suppose that this was not valid and binding, it was in my writing, it was on the

MR. SMALLWOOD: letterhead of the Premier, saying that, "the company was to be exempt from this so-called tax." And he exempted them. The Chairman was no more to blame for that. than one of the page boys, than anyone, one of the clerks, one of the employees of his in the Liquor Commission. He had a letter from the Premier, at least it was a letter signed by the Premier, saying that, "he was not to collect this so-called tax." So he did not collect it.

So subsequently he gave a copy of it, he delivered a copy of it, so I hear tonight, I did not know it before, I did not know until tonight where the then Minister of Finance had got the letter. But apparently he got it from the Chairman of the Liquor Commission.

MR. WELLS: The Chairman being familiar with the Alcoholic Liquors Act, and knowing this would be -

MR. SMALLWOOD: But the Chairman also knew that the Government had decided to exempt from taxes any enterprise starting at Bell Island or at Stephenville after the disaster there, the economic disasters, for a period of two years after they commenced construction. And if the Chairman was negligent at all, it was in not coming to me immediately and saying to me, and if he had come to me, I would have discovered for the first time what I did not discover for a long time afterwards, when the then Minister of Finance, my own colleague in the Cabinet, came to me and brought it to my attention. If the Chairman had, had any doubts in his mind, and had come to me and said, "here is a letter, look here, do you mean this letter to authorize the brewery to be exempted from taxes or do you mean it also to be exempt from the profit of the board?" I would have said, "what are you talking about profit of the board? Of course, not. They are exempt from taxes and that is all." That is all the letter, so far as I was concerned, was meant to be. But what I am saying, I am not going into this question tonight. I refuse to go into it, except insofar as it is necessary to do so to defend the name and reputation, Mr. Chairman.

MR. WELLS: That is all I ask. Did the Chairman of the Board know at the time that this was not legally possible under the Alcoholic Liquors Act? The Government could not, under the wording of that Act, grant such an exemption. When did he discover that?

MR. SMALLWOOD: I do not know whether he knew it, and I do not know when he discovered it, and I do not -

MR. WELLS: Can we find out?

MR. SMALLWOOD: Evidently I would guess that - how long was it after he received it, that he delivered a copy of it to the Minister of Finance?

MR. WELLS: About six months.

MR. SMALLWOOD: Well during that six months, it is almost certain that he thought it was a valid and binding letter.

MR. WELLS: Would the Premier find out with certainty?

MR. SMALLWOOD: Yes, he thought so. I say now, he thought so, and I have it on good authority.

MR. WELLS: Mr. Chairman, I have a couple of other questions that I would like answered before we proceed. I am reviewing the estimates, I cannot find any place where I am certain that the rentals referred to in the answer to Question 117, and they total in the period of a year \$222,696 - where these rentals occur in the estimates, there are only two possibilities one is under 09-07, which is rental purchase new buildings. Now, I believe, that is the new building out on Kenmount Road. I think.

MR. SMALLWOOD: No, that is not right.

MR. WELLS: So okay, that one is out. The other one -

MR. SMALLWOOD: It is passed in this committee, passed in Public Works.

MR. WELLS: Well where is the transfer from Public Works? Office equipment furniture and printing that is the only transfer there to the Board of Liquor Control or to the Liquor Commission.

What about 09-04, it is called light, heat, power etc.?

MR. SMALLWOOD: No.

MR. WELLS: No, that is not it. That totals \$271,000.

MR. SMALLWOOD: It is just not here. It is not here on this page.

MR. WELLS: Should it not be there?

MR. SMALLWOOD: No, it is in Public Works.

MR. WELLS: Well is it not normal in Public Works to transfer these things to the Board of Liquor Control or the Newfoundland Liquor Commission. The Department

MR. WELLS: of Public Works receives and goes through the estimates, a transfer from the Department of Public Works in most other departments assigning a proportionate part of the cost of Confederation Building. It is charged out to these other departments.

MR. CHALKER: It is not so.

MR. WELLS: The same thing with the Workmen's Compensation Board. Does Public Works rent a space there for the Workmen's Compensation Board and other boards? If this is not charged out, why is it not charged out? Should it not be done?

MR. CHALKER: This is a vote of Public Works.

MR. WELLS: Yes, but is this not recharged out to other departments, as to routine?

MR. CHALKER: The Newfoundland Liquor Commission they have passed over to us an amount to look after their heat, rent, and cleaning up their building.

MR. WELLS: Where is that?

MR. CHALKER: I just read it.

MR. WELLS: That is 09-04?

MR. CHALKER: Yes.

MR. WELLS: But does that include rent of all the buildings?

MR. CHALKER: No, no.

MR. WELLS: Well, where is rent charged out anywhere

MR. WELLS: In the Newfoundland Liquor Commission Estimates. In the Public Works Estimates, they charge out the bulk of it to other departments. It is transferred to other departments, the proportion of the space they occupy. It seems to me Mr. Chairman, that the Liquor Commission - there is even more reason for doing it then there is for doing it with the Department of Health, or through the Department of Labour or what-have-you. And it is done there. The total cost of operating the Newfoundland Liquor Commission should appear here. Is it true then that the Liquor Commission itself does not make the contracts, and negotiate the contracts for these buildings, or the rent of these buildings - that this is done through the Department of Public Works? Is this so? Is it so that all these buildings that are rented and used by the Newfoundland Liquor Commission - are they rented by the Department of Public Works? I presume it is, if they are paying for it. Are they rented directly by the Liquor Commission?

MR. CHALKER: I cannot be sure Mr. Chairman about that.

MR. WELLS: It is nearly a quarter of a million dollars, and it does not appear in the Estimates here. But I think we should be sure of it.

MR. CHALKER: On Public Works, Page 150, there is rentals -

MR. WELLS: \$271,800 - Newfoundland Liquor Commission. Light, Heat, Power, Cleaning, and Rentals.

MR. CHALKER: That is right. That was passed in Public Works.

MR. WELLS: Well, that is the same amount that appeared here in 12-03-09-04. Light, Heat, Power etc., \$271,800. So that that does in fact, include rentals. That is all I was asking -

MR. CHALKER: Sir, the hon. gentleman asked that before, and I gave him the answer.

MR. WELLS: I was told, no it did not.

MR. CHALKER: On no, no.

MR. WELLS: Yes, I was told by the hon. the Premier, no it did not include the rentals. Mr. Chairman, I have a couple of more comments. I do not know

whether or not the Premier has had time to get the information he undertook earlier in the afternoon to obtain. I guess he has not.

Some mention had been made earlier of the way in which licences are distributed or dispersed. It is ludicrous Mr. Chairman, for any member of this House, any member, to stand and pretend for one moment, that the Government has no influence over who gets or who does not get a liquor licence. There is not a person in this Province so naive as to think otherwise. This is one of the problems. One of the problems is that the members of the Board do not have any security of tenure of office in any position where a person has to make either a judicial or quasi-judicial decision, or administrative decision of the nature of these - they are normally accorded reasonable security, so that there can be no come-back on it for what they do, short of negligence in the performance of their duties or impropriety. Short of that they are given the security of a substantial tenure of office. So that they do not have to worry about what decision they make, or they do not make. Or in whose favour it is, or who does not like, or who does like it. They are secure in their position that they cannot be removed. That is why judges have the tenure that they do. So that nobody - there are no means by which anybody can influence the judge in that way. A similar tenure of office is normally accorded to members of any Board, or anybody that has to make these kind of decisions. This is one of the problems.

And for the Premier to stand here and pretend that there is no influence, is ludicrous. I do not know of any member who sits on this side of the House, at the moment, who has ever been asked, since he has been sitting on this side of the House - I daresay he would have been asked before - but any member who sits on this side of the House at the moment, has ever been asked, since he has taken his seat on this side, to provide any assistance in obtaining a licence from the Liquor Commission. And it is ridiculous to think otherwise. It is wrong as wrong can be, and I can say quite frankly, that I was approached - I never bothered to keep track - it was not all that many. It was not every day and anything like this - half a dozen maybe

occasions, while I was a member of the House, a member of the Cabinet, for assistance. And being in the particular profession that I was in, people took advantage of it, and it is difficult to say whether they were coming to see you as a lawyer, or to use whatever influence you could. And it is something I am very proud to say Mr. Chairman - I never at any time, asked anybody, the Government, the Liquor Commission. And I have never seen the Liquor Commission, and I say this quite frankly - I personally have not seen the Liquor Commission or any member of it, and I know members of the Board. I know the present chairman - I knew him when he was high sheriff, and I have a very high regard for him.

I have not seen the members of the Commission, grant a licence, or refuse to grant a licence, because I asked them to do so, or not to do so, and I say that quite honestly. I have never done. I have never asked them to influence anybody in any way. I recall making one representation there - to the Board on one occasion - and said whether you grant the licence or not, it is up to you, I have nothing to say about the individual case. But I ask you to bear in mind, that at the moment, in the City of Corner Brook, there existed I think at that time, some twenty-eight separate liquor outlets, which is ridiculous. It is just too many. It is unreasonable. And I believe if the chairman were to look in his files, he might find a letter to that effect. I am not sure whether it was on that occasion, or some other occasion, I expressed this opinion, but that is it. Unless the vast majority, and I am talking about seventy-five or eighty percent or more of the people of this Province, are totally wrong, and I am talking about the individuals who come to me with direct stories. I do not propose to repeat them. It is ludicrous for us to pretend for one moment, that the Government or the Premier in particular does not have a rather substantial word, and perhaps the final and binding word, in who does or who does not get a licence.

MR. SMALLWOOD: Mr. Chairman, I will say a word on that theme. The Board are given a completely free hand in granting or refusing licences. A completely free hand. Now all freedom is of course, bound around by some limitations.

They have been told repeatedly that when clergymen, anywhere in the Province protest against the granting of a licence for a tavern or some retail outlet for the sale of beer or liquor, they are to pay the greatest possible attention to that clergyman. And on endless occasions, they have refused a licence to an applicant on the simple grounds that the local priest or parson in the area concerned, has made strong representation against the granting of the licence. And nine times out of ten the clergyman who does so, insists that his name be kept out of it, that he remain anonymous, and for no one to say that he opposed it. And for that reason the chairman, or any other member of the Liquor Commission is unable to say to the applicant, the reason we refuse you is that your clergyman is against it. Because it has even been known that an applicant comes to the Board and says, the clergyman is all right, he is not against it. And the Board will have a letter in their possession from that very clergyman saying, "do not give him a licence under any conditions." Now the Board cannot say, "well we have this letter, that you are wrong, you are wrong when you say your clergyman does not oppose it. We have a letter from him saying, or we have had a telephone call, or we have had personal visit from that very clergyman, telling us, I do not want this licence given." Now the Board cannot tell him that.

There is another provisio - that if an applicant is of bad repute, the Board would not dream of giving such an applicant a licence, and never does so. Another thing they keep in mind is the number of places where beer or liquor are sold, and how close one is to the other, and the number of people, the number of families, the size of the population in the area in question. I myself, have been approached at least a thousand times by as many as a thousand people, asking me to please Mr. Premier, will you give me a liquor licence? And I say to them invariably, I have no more to do with granting a liquor licence than you have yourself. Why do you not grant one to yourself? You have as much right to do it as I have. I have said that a thousand times. I have said it to a thousand people. I say, it

is the Liquor Commission, go and see the chairman. And you may get one. Now if they are people that I know, if they are people that I suspect to be friends, supporters, political supporters of mine, I would say it politely, and I will say it in as friendly a fashion as I can, and wish him good luck as he goes. Well good luck to you, I hope you get on all right. But the chances are that he will get a licence or not get a licence - quite regardless of the fact that he came to see me - or came to see any member of the Cabinet, or came to see any member of the House, private members or anyone else. The Liquor Board has done a magnificent job, and I have said to every chairman - we have had three since I was Premier. I have said to each one of them. Liquor is dynamite. Liquor is dynamite in Newfoundland. Do not do anything that will get the churches angry, get them stirred up, maybe start preaching sermons, try to start a crusade against us. Keep the thing clean and decent. Keep it clean and decent. And on scores of occasions, the Liquor Board has sent one of its own commissioners out to some part of the Province, quietly - in person, to go out personally and interview all the clergymen. Again and again this has happened. Scores, if not hundreds of times, a member of the Commission, one of the three commissioners, will slip out quietly to an area, and talk to all the clergymen in the place on a purely private and personal basis, and on a very confidential basis, to say, "look there is an application in for a licence and what do you think. Would it be all right if we granted it? And they are guided enormously by the sentiment of the clergy.

Mr. Chairman, if the Premier of this Province were a fool - if you have a fool for a Premier - naive or ignorant or just a plain fool. If you had that kind of person for Premier, he would have been in trouble eighteen, nineteen years ago. He would have been in such hot water, and such serious political trouble, so that he would not be there twenty-one years later, still Premier. He would not be there, because the one thing - there are two things that can get a Government in deep trouble, in very hot water. One is; for anyone to be able to prove - now this does not stop people whispering, it does not stop whispering campaigns. It does not stop people spreading false rumours, but to be able to prove that when you tender for the sale of

goods to the Department of Supply - you do not get honest treatment. To be able to prove that - that you do not get honest treatment, that the Department of Supply, the minister of Supply, will act in a crooked fashion, and not an honourable and an honest fashion. Prove that. You only need to prove that once. And in twenty-one years there has never been even the beginning of any proof. Nobody has even tried to prove it, because it cannot be proved. It is conducted honourably and honestly, the Department of Supply. Similarly, let someone prove that he was given or refused a licence, to open a beer establishment, or a liquor establishment on political grounds, or on any grounds other than straight-forward, honest and honourable grounds. Let anyone be able to prove it - no one has even tried to do it in twenty-one years. There was one case of a young man, who was once a candidate for this very party, this very City. He was a candidate, and he had a quarrel with someone, had an argument and a quarrel, and he took him to Court, and there was a Court case, in which it was alleged that he had been promised a licence for a beer tavern. It was not true. It was simply not true, and the thing just perished on the vine. It is a pretty proud boast Mr. Chairman, after twenty-one years of cleaning up the liquor business - we have cleaned it up - the taverns in Newfoundland the day I became Premier were dives of the most filthy character. There was not one tavern in this Province, the day we became a Province, and I became Premier. It both happened on the same day. There was not one single tavern, and I can name every one. Not one that was not a discredit to this Province. And the man who did it was Mr. Gregory Power, to whom I asked to be chairman of the Liquor Board, and who was chairman of the Liquor Board for the first two or three or four or five years - some number of years. I said, "clean it up Greg, clean it up. Let it be a credit to you. The regulations were brought in - what every tavern had to be - the height of the ceiling, the number of square feet, the number of persons allowed in - what the toilets had to be like - what the washrooms had to be like. The facilities for washing and cleaning the mugs or the thing you drink from. The dress of the bartenders, how they had to be clean -

how they had to be clean-shaven. I think there had to be a medical certificate to show they are in good health. In other words, make sure that the taverns are decent, clean, respectable places, where anybody can walk in and take his wife in, and sit down and not be insulted, and not be offended by anything there - that the place is conducted decently, because either beer is allowed to be sold, or it is unlawful. Now if it is lawful and permitted to be sold, then see that it is sold under perfectly decent clean, attractive conditions. We did that. We did that. This Government did it. We made the taverns in Newfoundland decent and clean. We did it. There is no doubt about that, and my hon. friend will admit that. If he remembers what they were like before and the changes we made - we did do that. We took beer out of the class of being linked with prostitution, linked with dives, linked with the worst kind of condition. We took it out of that class and made them respectable. We made them decent. The taverns today are decent. They are civilized.

You can go in a tavern and have a bottle of beer if you want to, without feeling befouled. And we did that, and from the beginning - I knew there were clergymen of all denominations, particularly some denominations, watched with a sharp eye. I knew that. I knew it. I did not need to be told. I knew they were watching, and that is why I said to every chairman, as he came in, including the present chairman. And his immediate predecessor, Mr. Anthony Maloney, who did an absolutely superb job of keeping the clergymen of Newfoundland satisfied that the Liquor Commission, the Liquor Board as it used to be called, was conducted in a clean and decent and level-headed and sensible way. And I said to them all as they took office - this is dynamite. Beer is dynamite. Liquor is dynamite, with a lot of our people, especially, well, I will not say especially, but a lot of our people - a lot of clergymen. With them, reasonably, or unreasonably, rightly or wrongly - with them, it is a cursed thing. Now we are in that business. We are selling it. We are in the sale of what in the eyes of some people is, a cursed product. And still to some people, it is not a cursed product. And I remember group after group after group of clergymen who came in to see us about

it, a delegation of six, eight, ten, would come in to see me. And I would say to them. I know of three things that the Government can do about beer and liquor. I do not know a fourth. I do know three. Number one; the Government can pass laws saying, there shall be no beer, none made, none distributed, none sold, none consumed, no liquor made, none sold, none stocked, none consumed. There shall be no liquor of any kind. And I say that is one way. That is one thing the Government can do. Do you agree with that? Do you think we should try that? And I never met a clergyman yet who said, yes, that is what you should try to do. Not one. They all agreed. That was no way to handle it. We tried it - prohibition - to prohibit it, its manufacturing, sale, stocking, drinking, handling - its very existence, to be outlawed. So they agreed that way was no good. I said, "all right, the other way." No limitation, no restrictions - let anyone who wants to make it, make it. Anyone who wants to stock it - stock it. Anyone who wants to sell it, sell it. Anyone who wants to drink it - drink it. Just no law, no regulation. No restriction. The sky is the limit. Do what you like. Would you agree with that? No, they would not agree with that. I said, "all right, you have gone through the two extremes, and you do not agree with either one of them, and in between is the Government's policy. Admit that people are going to drink. See that the liquor is decent and clean, that the beer is decent and clean, that it is served in a decent and clean way, so that you do not turn people into beasts, just because of the way they drink it, or because of the surroundings."

And then I challenged them to go down to the taverns and go in. I said, "take off your clericals, put on civies, and slip in one of your fellow
with
clergymen. Slip in and sit in a beer tavern, anyone you like - pick anyone you like, go in and sit down for an hour. And even you do not drink beer, just sit there and look and listen." And Mr. Chairman, would you believe me that some clergymen took me up on that, and came back to me and said, that what I had said was completely correct. That they were decent - they still did not believe in drinking, but these taverns were decent and clean. Now

we have done that in Newfoundland. And there has been no big scandal. There have been rumours - there has been gossip. There has been scandalizing talk, passed around from word to mouth. But to this day after twenty-one years, we stand with not one single black mark against us, except the whispers and the rumours, that you cannot get a licence unless you are a Liberal. That if you had a licence and you turn away from the Liberal Party, your licence would be taken from you. And there is not a single word of truth in that. And in every election that takes place in Newfoundland, at least half the tavern owners are out campaigning against this Government. Half of them.

MR. MURPHY: Ha, ha. Say two say two....

MR. SMALLWOOD: Oh, that is a very convincing interruption. Look, I can name fifty. I can name fifty, but I will not do it. I can name fifty. Oh, I can name fifty, who went out in the Federal election in Conception Bay, and in Trinity Bay and campaigned ardently and actively, and men came to me, and said, "so and so, so and so is doing this, doing that, doing the other, what about it. Why do you not take his licence?" We did not take one licence. Not one. Not one. We could have done it, when the election was over - then just quietly cancelled the licence. We did not cancel one. We did not suspend one. We did not say a single word, although they were out campaigning, and all over this Province, about half the tavern owners go out campaigning. I do not mean to say they go around knocking on doors canvassing. But they campaign against us. They talk against us. They make no bones about it. They are Tories, or what-have-you. They are not Liberals. Now

MR. MURPHY: They are as scarce as Paddy's pigs ---

MR. SMALLWOOD: No, they are not scarce. They are not scarce, and my hon. friend knows they are not scarce.

MR. MURPHY: No - I could not name one of them - but I can name seventy-five that head the Liberals to program the Liberal Ball -

MR. SMALLWOOD: I am not denying. I am not denying. It would be stupid. It would be stupid and it would not be true, if I were to deny that there are tavern owners who are Liberals. Of course there are. And tavern owners who are Liberals, and like tavern owners who are Tories. They vote for their

own Party, and they speak up for their own Party. And their customers who come in, except a good many tavern owners have learned from experience, that their own customers are the ones who will take it out of their hide. That if you go in for a bottle of beer, you do not want the owner of the tavern, ramming down your throat, his politics, if they are different from your politics. You want to be let alone. And so the smart tavern owner does not carry on political propaganda in the tavern, because he is catering to Liberals and Tories both, and the customers do not want party politics rammed down their throats. But that does not stop them from going out, getting on a Tory Committee, or a Liberal Committee.

Now let us not be childish about it -

MR. MURPHY: It sounds like fairy-tale to me.

MR. SMALLWOOD: Oh, maybe it does. Maybe it does. But perhaps I have knocked about this Island more than the hon. gentleman, and perhaps I know more people than the hon. gentleman knows, including even perhaps, taverns. And I say this - that it is ordinary human nature for a tavern owner, like a shop - owner, like a hotel owner, like the owner of a blacksmith's forge, like the owner of a boat. Like ordinary people. A man does not cease to be a human being because he has a licence. Well he will act like any human being. He will support the Party of his choice, and why should he not? And the position we have taken right along, right along is this - is a man has a licence, let him keep his nose clean, so far as the licence is concerned - the way he maintains his establishment. Let him act decently, and we will leave him alone.

Now - advertising. Every year the Laurier Club has a great ball, and they get other big programming, and they go around to all kinds of people, including tavern owners, but not only tavern owners, and they sell an add. They get twenty-five dollars, fifty dollars for an Add once a year. Pretty grim is it not? That is a pretty appalling thing is it not? There is graft for you. There is graft Mr. Chairman. You go once a year, and you get a twenty-five dollar add, or a fifty dollar add once a year.

MR. MURPHY: How many did the Tories get in their sale program?

MR. SMALLWOOD: What they get - they get the money, but they say, do not put our name in. But they get the money. There are Tory tavern owners.

MR. WELLS: Why do they say that?

MR. SMALLWOOD: Because they think that if/they show themselves in a Tory catalogue, they will put down as Tories, and might lose their licence.

MR. WELLS: That is what they genuinely think?

MR. SMALLWOOD: Yes, they probably do.

MR. WELLS: Whether they have reason to do it or not - they genuinely think that?

MR. SMALLWOOD: I am not denying that they in all probability this is what they think. What I am denying is that it is so. I am not denying that they think it is so. I am denying that it is so. It is not so. We do not cancel the licences of Tories just because they are Tories. We do cancel the licence of Liberals, not because they are Liberals. We cancel them for the same reason as we cancel those of Tories, mainly, that they are not operating their licences properly. Nothing could bring this Government more quickly into disrepute - nothing could make the name of this Government stink so rapidly, as letting the taverns misbehave.

MR. SMALLWOOD:

nothing, nothing could do it. People throughout Newfoundland would grow completely disgusted, they would be really disgusted and they would take it out of the hides of the Government. Do you think I do not know that, I am not a fool. I know Newfoundland and I know the people in Newfoundland very well, very, very well indeed. I have a very intimate understanding of our Newfoundland people, a very good understanding, a working understanding that is based on an awful lot of experience and I know that the way for this Government to be able to sell liquor and sell beer is to sell it in a decent and honourable fashion and this is what we do, no matter what rumors or scandal or maundering that may go on from word to mouth this is the truth.

MR. CROSBIE: Mr. Chairman, sometimes you know it is almost like being an Alice in Wonderland. If that is the Government's policy, they do not cancell licences because somebody might be a Tory or opposed to the Government then why has the Government resisted year after year allowing an appeal from the Newfoundland Liquor Commission of the old Board of Liquor Control allowing an appeal if a man had his licence suspended or an appeal if he was refused a licence or an appeal if his licence was suspended, why? Is that not in the Act? It is only not in the Act - so it has an intimidating effect. I have heard enough hypocrisy in this House tonight, enough hypocrisy on this issue. That is not in the Act so everyone will get the message, that is why it is not in the Act.

Last fall while I was campaigning for a leadership in the Liberal party I came across enough instances to know when and when not there is fear about the Newfoundland Liquor Commission and its Act and I have heard enough here tonight to make me sick. I came across a beer distributor who was a solid supporter of mine for months in that Leadership Convention who got a call that he had a half hour to say whether he was a Crosbie supporter or not or his licence was gone.

MR. SMALLWOOD: Who called him?

MR. CROSBIE: If this House appoints a Commission to inquire into this Atlantic Brewing matter they can appoint another one and I will give them the names and so on about this instance but not otherwise as I do not want

MR. CROSBIE:

the man penalized now. A half hour to say whether he was a Crosbie supporter or he would lose his licence as a distributor.

MR. SMALLWOOD: I do not believe that.

MR. CROSBIE: Well, I had it happen to me so the hon. Premier can -

MR. SMALLWOOD: The hon. gentleman was told he would lose his licence.

MR. CROSBIE: Not me, no but the man who told me.

MR. SMALLWOOD: I do not believe it, I think it is a lie.

MR. CROSBIE: Well, I am definitely sure it was not a lie -

MR. SMALLWOOD: I think it is a lie.

MR. CROSBIE: I went in to see another man who was not a liberal executive but a beer distributor and he turned white and he trembled when I went in to see him, that was atmosphere. Now whether they really have anything to fear or not I am not going to listen to this hypocrisy in this House. They think they have something to fear and that is enough and if this Newfoundland Liquor Commission, if the Chairman and the three members had some security of tenure, if they were appointed for a definite period of time or appointed so that they could only be removed by this House for misbehaviour or some ground clearly given in the Act then nobody would have any reason to be suspicious about the Liquor Commission. But that is not the position now. These men can be whipped out by the Government anytime, forced to resign or dismissed. It is not an independent Commission no matter how fine the men are who administer it and the Act, you do not have to be given a reason if you are refused a licence or have it taken away. What could be worse?

A clergyman can apparently tell the Commission he does not want someone to have a licence in his area and the Commission will not tell the poor applicant and this hypocritic, this master mind of hypocrisy, this clergyman can pretend to that applicant that he has not objected. Is that right? Surely the rule should be that if a clergyman or a priest or whoever it is objects to a man getting a licence he must have his name used. If that is the case I have the experience just this last twenty-four hours but I will not say where the man is from in Newfoundland who ask me to check for him, he does not know it but the local clergyman, I will not say what denomination, is

MR. CROSBIE:

against it. That is why he does not have his licence to be a beer agent. But surely that clergyman should have to bear the responsibility for that, surely the Commission should tell the applicant, "I am sorry, Sir, but your local clergyman whom we must listen to, it is our policy to listen to him, has said he is against there being any licence in this area."

I mean it is just not right. Can the clergy deprive a man of a living and then the man not realize it is his clergyman who has deprived him. If there is valid reasons, if there are already three, four, five or ten licences in the area then sure, do not give him a licence and if there is already a brewer's agent in the area do not give him a licence if there is good reason. But because the clergyman objects and does not have the guts or the moral fiber to allow the Commission to say it is the clergyman who has objected, that is a terrible rule. They should bear the responsibility for giving their opinions. I think that is terrible, I think it is shocking.

Could any clergyman say, "Do not give that man a licence" and then look him in the face again in that community and pretend that he did not do it? What a state of affairs. Now we have all heard the story about the taverns being clean and decent and mind you this Government's record I think it is pretty good that way and it is pretty good in the liquor and beer field. There is not all that much wrong with it. We have heard the Premier go off on this tangent about the taverns are clean and decent, so there has been a lot of good progress. But as long as that Act, Mr. Chairman, is not amended, as long as there is no appeal, as long as you do not have to be given a reason, as long as the Commission has no independence of tenure then so long will we have an atmosphere in this Province of oppression and intimidation in connection with liquor licences. I have come across it, I have witnessed it, I have experienced it, the Progressive Conservative's have experienced it for years but I will confirm it for them in my experience as a candidate last year in that Leadership Convention. I do not care whether it was justified or unjustified the point is that the people in that position are terrified, or at least they appear to be against the Government or who is in it, they are going to lose their licences. No-one can say in this House that I will not

MR. CROSBIE:

contradict that that is not so as it is so. It is the truth, the naked, unvarnished truth and enough of the hypocrisy. Do not cancel? I do not know if the Government cancelled any licences because they are Tories but I should hope not.

The whole business should be taken out of the power of politicians to influence it, an independent commission, and if they make a mess of it bring a resolution in this House and we will fire them all out because they made a mess of it. That is the way to keep it out of politics. They cannot be removed unless by a resolution passed by this House for misbehaviour and then let the Commission take it over and run it, put good men on it and let them be independent, do the right thing and if they do not then fire out the whole caboodle. We would have ample reason to do it and the House can do it. That is the way to keep it out of politics.

That is all I want to say on that, Mr. Chairman, but I think it has to be said as Alice in Wonderland is all it is.

MR. BURGESS: Mr. Chairman, earlier on tonight I was accused of sermonizing at one time and I think I have heard an equally good sermon coming from that side of the House from the hon. the Premier in all his self-righteousness and indignation at a horrible accusation such as this of using liquor for politics. Now who could ever accuse that hon. gentleman as we know him of paying politics with something as vital as liquor? Not at all. I am surprised that it even occurs to anybody. I guess I was practically blinded with the halo of that and I do not know how those people up in the gallery there stood the reflection from that halo.

I think it has come to be recognized particularly on this side of the House that even the wool that that hon. gentleman pulls over your eyes these days is half rayon. Not at all. We will not play politics with liquor licences.

Mr. Chairman, there is just one point I wanted to make and that was just a brief reference to staunch defence of one of the members of the Commission by the hon. the Premier. I am sure the defence was well warranted because I am sure the gentleman is quite honourable but I feel that the defence on this

MR. BURGESS:

hon. gentleman's behalf while it may have helped him it certainly did not do anything for the other gentleman on the other end, Mr. O'Dea. I think that there is only one way that something can be done in order to essentially remove any doubt in the minds of the people of Newfoundland about Mr. O'Dea is to establish the Commission that has been mentioned so often in this House.

MR. CHAIRMAN: Shall the Item carry? Carried. Shall (02)(01) carry? Carried. Shall (02) carry? Carried. Shall (03) carry?

MR. MURPHY: With reference to (03), are plebiscites worthwhile now on -?

MR. SMALLWOOD: We do not hold very many.

MR. CHAIRMAN: Carried. Shall (08) carry? Carried. Shall (09)(01) carry?

MR. CROSBIE: On (09)(01), Mr. Chairman, in the Auditor General's report for the year 1969 there were \$30,315. actually spent by the Newfoundland Liquor Commission on printing, that was the actual amount spent. Now this year we are only voting \$15,000. so why is there so much less printing this year?

MR. SMALLWOOD: I did not hear the question.

MR. CROSBIE: Well, in the public accounts for 1969 there was \$30,000. spent that year on printing for this item here but now we only have \$15,000. in the estimates, why would there be the difference?

MR. SMALLWOOD: The Convention was here that year and from all across Canada they held the National Canadian Convention of the Liquor Commissions for all the ten Provinces and quite a bit of printing was done in that year which sent the bill that much higher that year.

MR. CHAIRMAN: Shall the Item carry? Carried. Shall (06) carry? Carried. Shall 1202(01) carry? Carried. Shall (02)(01) to (02)(03) carry? Carried. Shall 1203(03)(03) carry? Carried. Shall (04) carry?

MR. CROSBIE: Mr. Chairman, (04) here, the hon. Premier is going to get us some information on those leases, who the owners are, the three extra-ordinary leases that seem to be anyway.

MR. WELLS: There are six of them.

MR. CROSBIE: Well, there are seven in the name of the Royal Trust Company and three of them with very high rents, the building at Grand Bank, the building at Placentia and the building at St. Lawrence. It has already been mentioned

MR. CROSBIE:

in the debate. I do not want to repeat the question again as the Premier is going to get the information but who is the real owner of those properties? Why is there a twenty year lease at such high rentals? Who was the deal negotiated by? These are all questions that call out to be answered, Mr. Chairman, in connection with these three leases in particular. Is the Premier going to get us some information on those?

MR. BURGESS: Mr. Chairman, maybe I just like to talk but I would like to bring out one point and I will have to use et cetera as the excuse but I brought it up in this hon. House before. It is relative to housing for the employees of the Commission in Labrador and Wabush. Now the companies have seen the sense or the great need to provide accomodations for the people in order to attract and retain a competent work force and I think that the same responsibility - Can our Government do less for its employees than it would be required or a company would do for its employees. I think that there is a real need for the employees of the Liquor Commission in Labrador City to have some participation on the Board's behalf or on the Commission's behalf or some effort made to establish homes that they can rent or live in at reasonable rents. This is a matter of great concern to most of the employees there. I have brought it up in this hon. House before and I have not heard any change in attitude on the part of the Government on this or the Commission but I think that it is a matter that warrants attention and sincere attention and I think something should be done on these people's behalf because they are providing an essential service, Mr. Chairman. Something should be done on it.

MR. MURPHY: Mr. Chairman, on (03)(04), I notice on the salaries there are Labrador allowances \$18,000., is this to subsidize this purpose?

MR. SMALLWOOD: Yes, employees of the Liquor Commission who work in Labrador get the same scales of pay as their employees anywhere else, it is the one scale of pay all across the Province. But unlike these Commissions employees here on the Island their employees in Labrador West at any rate receive something over and above their scale of salary in the form of a special allowance known as a hard-line allowance and it amounts to \$100.00 a month and with this \$100.00 they are expected to pay for their own accomodations which they

MR. SMALLWOOD:

do I think in the main in apartments. Whether that \$100.00 is enough or whether they have to use that \$100.00 and some of their salary as well which I imagine is the case, I do not know, but I would imagine that the \$100.00 does not fully pay their rent and they would have to draw on their wages as well.

Now with regard to living allowance arrangements the Government have under review now particularly and especially this whole question of living allowance payments that we make here and there throughout the Province and we are trying to work out a scheme whereby we will have a uniform payment of a living allowance based on the rate of salary, that is to say a lower rate of salary would call for a higher rate of allowance and a higher rate of salary for a lower rate of allowance. It is sort of an attempt at equalization, if not complete equalization at least an attempt in the direction of equalization. When this is finally compiled and agreed by the Government it will be put into effect and it will have some effect upon the present rates paid in Labrador West which is \$100.00 a month.

MR. BURGESS: Mr. Chairman, I can assure the hon. the Premier and the Committee that the \$100.00 a month is far from adequate. I wonder would it be possible to the people who I am referring to specifically, Mr. Chairman, are the people who dispense the liquor, in what category would those people fall? I do not know how they are graded here, Mr. Chairman, but the point I am trying to make is I assume that they are not that well paying jobs.

MR. MURPHY: It looks like the eighty-two officers grade three about \$4,000. a year.

MR. BURGESS: Well, if it is \$4,000. a year and he gets this additional \$1,200. I am surprised that the man has not starved to death yet. He must be boot-legging liquor in order to live. But this additional \$1,200. hard-line allowance would be in no way adequate. I can see the question that the hon. member from Rumber East ask today about living allowance being provided to officers in the Welfare Department, I believe it was the Welfare Department you were referring to. Well, in Labrador City if the same and if they received this kind of a salary as outlined here and as I say I am not sure how they are

MR. BURGESS:

graded but they would need, I am sure the Department or the Commission would need accomodations that should be given to these people practically free, rent free by virtue of living in the North because I know for a fact that some of them now are living in accomodations that cost them as much as \$220.00 a month just for an apartment and this is not a furnished apartment. I just do not know, looking at the scale of pay, the rates of pay, I just do not know how some of these people can survive even with this \$100.00 a month. It is just in no way adequate when you think in terms of the cost of living which is as I have stated so often it is so far higher, much higher than it is here in St. John's and I just do not know how these people survive.

I think that sincere attention should be given to the provision even if it is a negotiated agreement between Royal Trust or the Iron Ore Company of Canada or Wabush Mines but something should be negotiated between the Commission or the Government with the companies there to provide reasonable decent accomodations for these people who are required to dispense liquor or work in Labrador City or in Wabush. Because the companies, the peoples who are employed in the major industries there, Mr. Chairman, are on an average I would say they are making \$7,000. or \$8,000. a year and they get relatively reasonable priced homes provided by the companies, comfortable homes and with relatively reasonable rents. I just cannot see how a man working in a service industry like this who would have to exist on this type of income can possibly hope to survive particularly in the district of Labrador West.

I think that immediate attention should be given to this matter.

MR. SMALLWOOD: Mr. Chairman, the rates of pay received by the staff working in Western Labrador is as follows: manager \$5,400. to \$6,100. plus \$1,200. living allowance is \$7,300. plus \$540.00 which is the \$45.00 a month which brings him to \$7,840. if he is at the top of his scale; assistant manager \$4,300. to \$5,300. plus \$1,200 that is \$100.00 a month hard-line allowance which is \$6,500. plus \$540.00 the \$45.00 a month brings him to \$7,040. a year which is what the members of the House of Assembly were getting until this session, no they were getting a little bit more than that, were they not. A salesman \$3,600. to \$4,400. plus \$1,200. equals \$5,600. plus \$540.00 brings

MR. SMALLWOOD:

him to a salary of \$6,140. and then finally the low paid man, manual, \$3,100. plus \$1,200. plus \$540. for a total of \$4,840. in other words \$400.00 a month, that is the low paid man.

Now this \$1,200. a year hard-line allowance is the thing that is now under review not merely for these employees of the Liquor Board in Western Labrador but for all employees of the Government of Newfoundland, not just the Liquor Board but the whole Government service who are in receipt of any kind of hard-line or special living allowance. These matters are now under careful review and there will be some changes and I am sure improvement from the point of view of the employees.

MR. BURGESS: Mr. Chairman, I would just like to point out that even janitors in that area working in the employ of the companies are in receipt of over \$3.30 an hour on a forty hour work week with time and a half after forty.

MR. SMALLWOOD: And if the Newfoundland Government were mining and selling iron ore no doubt we could afford those rates as well.

MR. BURGESS: But the point I am making, I understand that possibly the rate structure is a must, I do not know, I am not saying it is a must but possibly the Commission has found that out or the Government has found that out, but the point I am making is that provision for their reasonable comfort should be at least provided and special attention should be given to this by this Government.

MR. HICKMAN: I have three short questions on that heading, Mr. Chairman. One the implementation of the self-service means of retailing at the Philip Place appears to be working, from the customers point of view, most satisfactory. I am wondering if the hon. the Premier would indicate to the Committee if the Commission is now in a position to indicate whether self-service stores will be implemented in other stores throughout the Province? Two first when the new self-service store commenced operation the clerks, I understand, were instructed that they could accept cheques if the holder had a bank credit card and that was subsequently discontinued again I believe to the discomfort, for want of a better word, of the public. Is there any possibility of that being reinstated, I do not mean that anyone can come in with a cheque, but with a

MR. HICKMAN:

bank credit card that is now in vogue and in use by retail stores throughout the Province? Thirdly there is something here that I must confess arouses my concern. I see an item here headed Wholesale Blending and then a whole whack of posts, does this mean that we have people watering down our booze?

MR. SMALLWOOD: Mr. Chairman, I am informed that the experiment is working very well so far. It has not been possible to reduce the number of staff in such a place in a self-service cafeteria style liquor vending establishment because it just has not been found possible I am told. One rather interesting result is that with self-service, with the customer having access to the shelves to make their own selection there is a marked increase in the proportion, in the ratio of wine that is being bought as against hard liquor. Finally I am told that only bank card cheques are accepted and that is apart from hard cash.

MR. CHAIRMAN: Shall the Item carry?

MR. CROSBIE: Mr. Chairman, before the Item carries I am going to come back to ~~this~~-question. When the Minister of Public Works, when his estimates were up he was asked these questions about these leases which seemed to be extraordinary, three leases for -

Mr. Crosbie.

for little Board of Liquor Control stores at St. Lawrence, Placentia and Grand Bank under which the Government are going to pay \$726,000 in the next twenty years.

MR. CHAIRMAN: Order please.

MR. CROSBIE: Mr. Chairman, we were told that the rent for these stores \$222,000 a year was in this item: light, heat, power, etc. It is the item for rent. There are \$271,000 dollars in this item of which \$222,000 is for rent of these stores. Now this is not repetition, Mr. Chairman. When the estimates are before the committee or before this House, it is when questions are asked and they are supposed to be answered. I do not know of any government yet that is not prepared to answer questions about leases they entered into. These three, in particular, in the name of the Royal Trust Company who is not the true owner. We do not know who the owner is. It is for twenty years at over \$7 per square foot. At a total rent over the twenty years of \$726,000 Surely, and this is the last time I can do it - surely - the Minister of Public Works told us, when his estimates were up, that he was going to get the information. He was going to find out who negotiated them and what the details were. He has not come back with it. Earlier this afternoon the Premier said he was going to get it. He has not come back with it and the Premier has not promised to get it.

MR. WELLS: Yes he did. He confirmed this afternoon to get it.

MR. CROSBIE: He did this afternoon, But the hon. Premier will not say now that he is going to get this information.

MR. WELLS: He said this afternoon.

MR. CROSBIE: I am drawing attention to it again, Mr. Chairman, because it is a serious breach of the duty of a Government, in a parliamentary democracy, not to give information requested on a legitimate matter that is before the House of Assembly. I do not intend to vote for the item until we get this explanation. I am only giving examples. Let us have

Mr. Crosbie.

the item stand until we hear about these leases and how they have happened and what is the justification for them.

MR. CHAIRMAN: Shall 04 carry?

MR. CROSBIE: No, certainly not.

MR. WELLS: Let it stand, Mr. Chairman.

MR. COLLINS: The hon. member from Burin mentioned the wholesale lending. Mr. Chairman, during Come Home Year, we had a great drop of screech and a great drop of Black Dipper Rum...

MR. SMALLWOOD: What argument are we on, Mr. Chairman, please?

MR. COLLINS: Everybody complimenting us..

MR. SMALLWOOD: lending? Are we on lending?

MR. COLLINS: I wonder if the Premier could tell us who the official taster is and what sort of screech we can expect for this coming year?

MR. SMALLWOOD: No, I do not know.

MR CHAIRMAN: Shall 04 carry?

MR. CROSBIE: I move that the item stand until the committee is provided with an explanation of the leases entered into by the Newfoundland Liquor Commission, the Royal Trust Company, covering premises at Grand Bank, Placentia and St. Lawrence which are twenty year leases at yearly rents in excess of \$20,000 for 1,665 square feet of space. So, that the item stand until this explanation is forthcoming.

MR. CHAIRMAN: The hon. member moves that item 1203-09-04 be deferred. Motion is defeated.

MR. WELLS: Let the House divide. On division.

MR. CROSBIE: Can we have the division recorded, Mr. Chairman?

MR. CHAIRMAN: In committee we do not record the names. We do not record the minutes, you see. There are no minutes kept.

MR. CROSBIE: We can move a resolution on this item...

AN HON. MEMBER: It cannot be done.

MR. CROSBIE: There must be some way to get our stand in this matter recorded.

MR. CHAIRMAN: If the hon. members will permit me. The only thing that is permitted in committee is the count and names are not recorded.

MR. CROSBIE: Mr. Chairman, I move that the item be reduced by \$36,000 in view of the fact that there is no satisfactory explanation of the rentals being paid for Board of Liquor Control stores at Grand Bank, Placentia and St. Lawrence, all of which are \$7.22 to \$7.34 per square foot for a year which is about \$2.00 in excess of any going rent in that area and in view of the fact that they are twenty year leases and that the Government could have built these three buildings themselves for a maximum of \$40,000. Instead the Government are going to pay, in each case, \$240,000 in rent, over the twenty year period of the lease.

MR. CHAIRMAN: The motion is that item 1203-09-04 be reduced to \$235,800. I declare the motion lost. Shall 04 carry? Carried. Shall 07 carry?

MR. MURPHY: Is this the building on Water Street West? New buildings it says - it is plural here. I am just wondering...

MR. SMALLWOOD: Only Kenmount Road.

MR. CHAIRMAN: Shall 07 carry?

MR. MURPHY: Shall we make that building so as not to confuse the committee?

MR. SMALLWOOD: The heading is: purchase of new buildings. It happens, in this case, to be only one. The heading is: new buildings.

MR. MURPHY: Well that..

MR. CHAIRMAN: 07 carried. Shall Block Provision, Canada Pension Plan carry?

MR. FRECKER: Mr. Chairman, there is an amendment to the Block Provision. The Minister of Finance is absent, as you know, attending a conference on the Mainland. I move that Block Provision: Salary Increases and New Posts be changed from \$81,800 to \$138,200 and accordingly that the total for the board be changed to \$2,020,400.

MR. CHAIRMAN: The motion is that Block Provision: Salary Increases and New Posts will, amended to read, \$138,200 and that the total in the

Mr. Chairman.

column be amended accordingly. Carried. Shall I report Item (12)

Newfoundland Liquor Commission, with some amendments? Carried.

Head XIII - Municipal Affairs and Housing - page sixty-six.

HON. ERIC N. DAWE (Minister of Municipal Affairs and Housing): Mr. Chairman,

I would just like to make one brief remark before we come to our detailed estimates from my department. I would like to say that, during the presentation of my estimates, I will be making a statement regarding the Government's position on water and sewerage systems throughout the Province and that will come up later in the presentation of the estimates at the proper time and proper place. I will, as well, have detailed information on developments at Mundy Pond, Blackhead and Corner Brook and general housing throughout the Province. Any other question that any other hon. gentleman would like to ask, I feel that we will do our utmost to answer all questions presented. I would just like to inform the committee, briefly, of one statement to point out to the committee the growth of local government within the Province since the last twenty years.

Mr. Chairman, as of April 1, 1949, we had twenty-three municipalities within the Province at that time. We had the City of St. John's and twenty-two other communities. As of today's date, we now have incorporated throughout the Province, two cities and two hundred communities. I would like to read the title of local government we have. We have cities, two. Metropolitan Area Boards within St. John's, one. Town Councils, seventy-two. Rural Districts, four. Local Improvement Districts, twenty-four. Local Government Communities, ninety-nine. To point out to the committee the growth of local government that is now taking place, during this present year, we have the following communities being incorporated - twelve new communities being incorporated this year under the Local Government Act and they consist of: the rural district of Fox Cove, Mortier, the local improvement district of Sunnyside, the local improvement district of Trinity,

Mr. Dawe.

the local improvement district of Norman's Cove, Long Cove, Trinity Bay - Trinity is Bonavista Bay, the community of Boyd's Arm, the community of Irishtown, the community of L'Anse-au-Clair, the community of Makkovik, the community of Meadows, the community of Ming's Bight, the community of River of Ponds and the community of Summerside.

We estimate now, at the present time, sixty-seven per cent of the population of this Province now reside within some incorporated area - sixty-seven per cent and if the trend continues our estimation is that by 1980, eighty per cent of the population of Newfoundland will reside under some form of local government.

I would just like to point out a few facts with regard to my municipal revenues as of today - total municipal revenue in 1970, \$22,500,000. Provincial Government grants total, \$6,087,300. We have fixed assets of municipalities throughout the Province for a value of about, let us say, \$100 million. I think, Mr. Chairman, these figures clearly demonstrate to the committee the growth we have experienced in local government throughout the Province in this last few years. I have nothing else to add at this time. We are here to answer every question as far as is possible and I will deal with every item raised, as we go through committee.

MR. MURPHY: Mr. Chairman, I am prepared to wait until we go down to the different votes. I am just wondering now in view of the great announcement we had about a month ago - it is not the minister's intention to give us this great White Paper at this time, is it during the discussion of the estimates?

MR. DAWE: I made it quite clear, Mr. Chairman, that it is not a White Paper. I will be making a statement of Government policy with regard to water and sewerage during the presentation of these estimates.

MR. MURPHY: Yes, but you usually use white paper with the sewerage, you know.

MR. COLLINS: Mr. Chairman, just a few remarks. We are all looking forward

Mr. Collins.

anxiously to the minister's statement, not only on water and sewerage projects, Mr. Chairman, but it has been my understanding that the statement would also contain some information for municipalities in terms of what you might expect this year in terms of municipal road construction and upgrading and repairs and also what you might expect in terms of housing and various other municipal services. Sir, as I have said on several occasions during the past couple of weeks, time is rapidly passing by. We are now into the second week of June, and we all know that the construction season in Newfoundland is relatively short - relative to other areas of Canada. Certainly, at this time of year municipalities should be and would want to be in a position to know exactly what they are going to do, what funds are available, have their plans and specifications all prepared and would have gone to tenders and possibly constructed would have started by this time. As I have said, Mr. Chairman, none of the municipalities know where they stand. They do not know what money they are going to be able to raise to the Newfoundland Municipal Financing Corporation. Of course, until that is known, then they cannot come up with any realistic plan. They cannot establish priorities in their work programs, and we find that all over Newfoundland today, the municipalities are hamstrung as it were, because they are waiting on the Provincial Government's announcement as to what they can expect in terms of grants and in terms of loans.

Sir, some years ago in 1966, I suppose it was or I believe it was - I might be wrong, but I say 1966, the Government introduced a cost-sharing program in terms of assistance to municipalities, upgrading, sidewalks and what have you - a fifty/fifty cost sharing. It is my understanding that in 1968 or last year that agreement was more or less rescinded. There was no indication of what might be done to take its place or offer some substitute to the municipalities; consequently many of the city fathers and

Mr. Collins.

town fathers across the Province are really left up in the air because they certainly do not have access to funds through property taxes to be able to carry on any realistic programs and until such time the Government makes the decision known, I am afraid we are going to see very little work done in terms of street programs, and hon. members who might be visiting the municipalities outside St. John's - I can think of my own municipality of Gander and areas in my district, such as, Bishop's Falls, Botwood and others. There is a very pressing need for street improvements, street upgrading programs and additional pavement on dirt roads, etc.

I wonder would the minister indicate to the committee just what the municipalities can expect in those terms for this year?

MR. DAWE: As pointed out, Mr. Chairman, I think when we come to paving grants - what I intended to do, when we would come to each specific item, I would give the hon. member the position of the Government, when we come to this particular item, 1311-09. I intend to explain the Government's position on every item within the estimates at that time.

MR. HICKMAN: Mr. Chairman, under the general heading of Municipal Affairs and Housing, I think this committee could sit for a week and try and decide which facet of the hon. minister's department plays the most important role in the economic development of this Province and probably never come to agreement. But I do believe that two or three years ago we saw an indication that Government were beginning to recognize the fact that the need for public housing extended beyond the city limits of St. John's and Corner Brook. Indeed the hon. the member for St. John's West was the first Minister of Municipal Affairs to take housing outside the city limits of St. John's and Corner Brook and make housing developments available to certain municipalities and growth areas throughout the Province.

Mr. Hickman:

This, Mr. Chairman, if we can judge by what we see in the estimates and by the statements or lack of statements that have been issued during this session of the House would indicate that there is a slowing down of housing developments in municipal growth areas throughout the Province.

Now, undoubtedly, we will be told that there will be DREE money and may be there will be DREE money next year or the year after, but there are designated growth areas with viable industries functioning in these towns and with people voluntarily wanting to move in and cannot move in today, because municipalities are unable to obtain definitive statements from the Department of Municipal Affairs and from Government as to what they plan.

Quite recently, there was a very lengthy - last Saturday - last Friday, there was an article carried in the "Evening Telegram" quoting the Mayor of Fortune and the manager of the fish plant there wherein they indicated

MR. HICKMAN: indicate that the growth of that town is being stunted and retarded because of Government's failure to implement a request which was put to Government approximately two to three months ago. And that request was somewhat unique, Mr. Chairman, in its approach. There is an obvious need, and this is only one example, Harbour Breton can be used with the same force and effect, may be Harbour Grace to some degree, Fermeuse most definitely. But there is a need for the construction, I know, of at least twenty new homes this year in Fortune. And if industry is going to function, it is just not simply getting industry to function as a viable entity. But if the people who work in these plants, the fish plants throughout Newfoundland, are going to get maximum employment, they should live within the municipality. There is not much point in saying to a man in Terrenceville, "we will give you twenty hours work a week, but we cannot guarantee you twenty hours of continuous work. But you will be on call," and he has to drive fifty miles over the worst road in the Province to get to the source of his employment. Whereas, if he is employed in industry that does not operate, unfortunately, on a twenty-four hour basis even on eight hour shift, it depends on fish landing, he has to be in the municipality if he is going to avail of every employment opportunity that is to be found in that community. Now this is not happening, Mr. Chairman.

The simple fact is that the Town of Fortune is desperately in need of new housing. And apart altogether from that Government has a program in co-operation with the DREE officials of resettlement in that town. And there is a strong indication that people want to move their homes in, At least forty, this year, have indicated that they want to move their homes into the municipality of Fortune. And that municipality rather than coming to Government and saying, "give us a handout to build and develop a whole subdivision on your own initiative, and to put in a CMHC subdivision similar to what you have in the Northeast Development, just give us minimum assistance and minimum professional engineering advice, so that we can provide serviced lots and nothing more for these people who want to move in their homes, and they can complete the development at their leisure and in accordance with municipal regulations.

MR. HICKMAN: And, Mr. Chairman, that is somewhat similar to the shell housing scheme which apparently has been successful and it indicates that it will be successful in the future. If in the shell housing scheme, and the experiment that was carried out you have the minimum down payment on the part of the home owner, and then he is allowed to contribute his own efforts and time and labour and, over a period of years, build a home that he will not be able to reach in the first instance.

I suggest, Mr. Chairman, that same philosophy can approach with equal validity the servicing of lots for people moving into municipalities. I do not care where the land is situated. The market price of the raw land seems to have very little effect on the ultimate cost to the purchaser. One would have thought that if you brought land in St. John's or Corner Brook where, land prices are quite high, that the cost of delivering a service lot to a homeowner would be substantially more than say in Harbour Breton or Black Duck Cove, in Burin. But this, Mr. Chairman, has not turned out to be the case. We are still running in, as the hon. the minister knows, into a cost of \$3000 to \$4000 per lot in these municipalities. It is all very well to say that we have a voluntary resettlement program. It is all very well to talk about the mobility of labour, and it is easy to say that people should be encouraged to go to industry. And of course, they do whether they are encouraged or not, the very fact that there is full employment available will attract an awful lot of people. But, I think, we can understand the discontent and the disillusionment that has set in amongst a lot of people who wanted to move into serviced areas within the municipalities. And when they get into this municipality and drag their home in on a barge, they find they are faced with buying, if they want the serviced building lots, and obviously they want that. If they want to improve their lot, they are faced with paying \$3000 to \$4000 to \$5000 for that building lot.

Now, I believe, that the experiment that was proposed by the Town of Fortune has a great deal of merit, and that was simply to do the rough servicing, to put in your water and sewer lines and leave the landscaping and the rest of the development up to the homeowner. And this should be able to yield a service lot for somewhere in the vicinity of \$1000. Well, Mr. Chairman, that proposal was put to Government back in February. Now we have the barges along

MR. HICKMAN: the southcoast of Newfoundland ready to move people into these areas. People who want to come. And as of Friday, of last week, there has been no indication that any decision has been made or no indication of Government's awareness of the problem, and whether it feels that is a partial solution or not. And, Mr. Chairman, if we allow another eight weeks to go by without these people moving, you might as well postpone it until the year 1971, because you cannot move these homes on schedule, with any degree of satisfaction, in the fall of the year. This is why people get up and talk for hours as to what has happened, the dreadful thing that happened at Red Harbour.

But the whole reason why we have Red Harbour today is because of the postponement and the frustration of people who wanted to move into serviced areas in Marystown and Burin in the summer and they could not get going until the fall, and instead of moving twenty-five families, only eight could move before the bad weather set in. Then they became disillusioned and they look to an alternative site. But that may or may not be water under the bridge now, Mr. Chairman,

MR. SMALLWOOD: Inaudible.

MR. HICKMAN: No, I said, that was the original reason. Now we have Red Harbour set up, I will not say that it is the best laid-out community, but it consists of very fine inshore fishermen. But these men are now in there, and the hon. the member for Placentia West will recall that, two weeks ago, I asked a question, in this House, as to whether tenders had been called for the installation of water and sewer services in that little community. And the answer I got was "no."

Now are we to assume that these people are going to be allowed to stay there without any attempt to provide them with the amenities and the municipal services and the social services that these community councils, and incorporated community are entitled to get. It is not much point talking about now whether the people should have moved into Red Harbour or not. They are there. But my concern is, and I know it is the concern of the hon. the member

MR. HICKMAN: Placentia West, that they having been brought in there, and now having their houses set up on each side of the main highway, that they are being deprived of any of the municipal services.

AN HON. MEMBER: Inaudible.

MR. HICKMAN: Well they have not got them. They want them. They asked me to ask a question in the House. The answers come back "no", and I am in receipt of further correspondence from them lamenting over their neglect, and over the fact that they have been brought in and abandoned. This, Mr. Chairman, I believe, is the primary function of the Department of Municipal Affairs right now, in this field of housing.

Now we had a Housing Commission last year, That Commission tried to find the secret for reducing the cost of land and home to the average Newfoundlander. I do not believe it found the formula. But it did come up with some suggestion, it did come up with the condominium approach that is now being envisaged in Legislation that is now before this House.

It talked about land banks, but again, I believe, that Commission was looking primarily at the larger metropolitan areas. My concern is that we have now, particularly along the Southcoast, in Rames, Burgeo, Gaultois, Harbour Breton, right down the coast, Grand Bank, Fortune, Burin, St. Lawrence, Marystown, pretty viable industries, and people are being encouraged, not being pushed, they are being encouraged to move into these areas. And when they go in there, they are finding that housing is practically out of their reach. And what they expect and, I think, what they are entitled to demand is that we not use that same formula, that was being used in downtown St. John's or downtown Corner Brook. We have houses in Marystown, that no plant worker is ever going to be able to afford to buy the front door to it, they are so expensive.

And again, when you talk about the housing, and the planning and develop of it, if you look at Marystown, and look at the empty houses that are presently located in that municipality, and the situation that has existed for the past year, and then you look twelve miles away over in the Municipality of Burin, where you will find a tremendous demand for housing, a real housing shortage, and the same in Fortune, and Grand Bank and St. Lawrence, I think one

MR. HICKMAN: can be pardoned if he questions the amount of planning and projecting that went into that housing development or goes into any municipal housing development. Surely the first thing to do is to inquire of an industry as to the number of workers that will be required.

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

MR HODDER: Mr. Speaker, the Committee of Supply have considered the matters to them referred and have passed Estimates of Expenditure under the following Headings: Newfoundland and Labrador Liquor Commission, with some amendments to Block Provisions, Salary Increases and New Posts, and total; and asks leave to sit again.

MR SPEAKER: The Motion is that the report of this Committee be concurred in:

MR CROSBIE: On Division, Mr. Speaker. We do not agree with certain items that were passed, on which we were not given information, so we wish to divide.

DIVISION:

MR SPEAKER: Motion, that the report of the Committee be concurred in, those in favour please rise:

The hon. the President of the Council, the hon. the Minister of Highways, Mr. W.R. Smallwood, Mr. Hodder, Mr. Strickland, the hon. the Minister of Provincial Affairs, Mr. Canning, the hon. the Minister of Health, the hon. Mr. Hill, Mr. Mahoney, Mr. Wornell, Mr. Saunders.

MR SPEAKER: Those against the motion please rise:

The hon. the Leader of the Opposition, Mr. Collins, Mr. Hickman, Mr. Wells, Mr. Crosbie, Mr. Burgess.

MR SPEAKER: The Motion is carried:

Committee ordered sit again on tomorrow:

MR CURTIS: I move, Mr. Speaker, the House at its rising adjourn until tomorrow, Tuesday, at 10:30 A.M., and that the House do now adjourn.

On motion that the House at its rising adjourn until tomorrow, Tuesday, June 9, 1970, at 10:30 A.M., Mr. Speaker left the Chair: