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# **VERBATIM REPORT**

**TUESDAY, MAY 11, 1971**

**SPEAKER: THE HONOURABLE GEORGE W. CLARKE**

The House met at 11:00 a.m.

Mr. Speaker in the Chair.

MR.W.MARSHALL: Mr. Speaker, before the House commences with its ordinary business I want to rise on a matter of personal privilege, a matter of privilege of the House. The matter involved is this: I was surprised this morning to pick up a copy of the "Newfoundland Gazette," the edition of May 4, 1971, in which the Commission of Gordon M. Stirling is contained on the first page of same. The Commissioner is constrained to enquire into the following matter, (quote): "A statement made in Our House of Assembly on the 15th. day of April, 1971, by Mr. William Marshall, a member of Our House of Assembly, in respect of the sale of land in St. John's by Lundrigan's Limited and/or Mr. Arthur R. Lundrigan, to Hotel Buildings Limited, for use in connection with the erection of Holiday Inn; and any other matters connected therewith."

Now, Mr. Speaker, the purpose of the issue of privilege and the matter of privilege is this: (1) Let it be understood and let it be abundantly clear that I, my statements are not a matter, the statements that I have made in this House are not a matter to be examined. What was to be examined, as indicated by the Hon. the Premier, was whether or not the facts which I recorded in this statement were true or not, whether or not exorbitant profits were made with respect to the land transaction out there, why expropriation proceedings were not used etc. I think it is a rather unusual time in British Parliamentary system when a Royal Commission will be commissioned for the purpose of enquiring into a statement of a member of the House of Assembly or any House for that matter. Let me say at once, and right now, that I am convinced of the facts which I have brought out, as to the truth of them, but I do object, and I think it is a matter of invasion of the privilege of the member of the House of Assembly and of the House itself for a Commission to be framed in such insolent and unworthy terms such as this. This is insulting,

it degrades the House and it is most unnecessary.. The terms of this Commission should be entirely different and should set forth, instead of a statement made by a member of the House, Mr. Stirling should have been asked to enquire into the facts and set forth the facts as to whether any exorbitant profits were made.

MR.CROSDIE: In connection with that statement on the point of privilege, Mr. Speaker, the point of privilege raised by the hon. member for St. John's East is obviously quite correct. The investigation that Mr. Stirling is supposed to make is not into statements made in this House by the hon. member. It is to enquire into the sale of land at the particular price it was sold and the circumstances surrounding the sale of land and as to whether or not too great a price was paid for the land and all the circumstances in connection with the sale. It was never understood by this House and never stated by the Government that the purpose of this investigation was to investigate the statements made by the member for St John's East. I have never heard of a Royal Commission or a Commission of Enquiry having such terms of reference. Mr. Marshall could certainly be called by the Commissioner, as a witness to outline the facts that he outlined in the House. But his statements are not as - the statements of the hon. member are not at issue in this enquiry. The enquiry is to ascertain whether or not too great a price was paid by the Government Agency for this land and as to whether or not this land should be expropriated. Therefore Mr. Speaker, the Government should reframe the terms of that Commission of Enquiry.

MR.SPEAKER: I understand the point of privilege which the hon. member for St. John's East has raised. I do not know how the House would choose to deal with this. It appears to me as a genuine point of privilege which the hon. member has raised and it remains now for the House to decide what steps will be taken in response to his raising this point of privilege. I have not had an opportunity - I wish the hon. member

had brought this to my attention, so that I could read it. Possibly he could not do it earlier, but it was only just a few minutes ago I saw it.

From what he has already said, I can understand that there is a genuine point of privilege.

MR CROSBIE: Could we leave it? Perhaps the hon. Minister of Justice would agree we could look into the matter and then there may not be any motion necessary. If the Minister would undertake to do that?

MR.SPEAKER: Is it agreed that we just let the matter stand in abeyance until such time as the Hon. the Attorney General had had the chance or the House has had the chance to look into the matter further.

Presenting Petitions:

HON.J.R.SMALLWOOD(Premier): Mr. Speaker, I beg leave to present a petition from some 144 electors from Tors Cove, in the District of Ferryland. The prayer of the petitioners is that early attention be paid to the secondary road in that area, the road known as "The Long Run." "The Long Run" Mr. Speaker, is very well known to travellers in this Province. The petition declares that the road is in very poor condition. In fact they say that it is in a hazardous condition for motor traffic passing over it. The petitioners say that the "Long Run" is used more by the residents than any other road is used in that part of the Southern Shore, that is to say in the neighbourhood of Tors Cove. The grader, they say, has been on it, but they do not think much of the grading because grading of something that is not there is "Love's Labour Lost," (those are not their words but their meaning). They say it is useless to grade where there is nothing to grade. They wind up their petition by saying that, as they are not presently represented in the House of Assembly by an elected member of this House, their elected member having tendered his resignation to accept the position of chairman of the Salt Codfish Marketing Corporation or Board, they have addressed the petition to me, with the request that I should lay it on the Table of this House, which I do gladly, in the strong hope that my colleague,



the Minister of Highways, who is not in the Chamber at the moment but who doubtless is within the sound of my voice, will give it his earnest and early attention. I beg leave that this petition be laid on the Table of the House and referred to the department to which it relates.

MR. MURPHY: Mr. Speaker, I have great pleasure in supporting the petition because I think, as has been pointed out, this district has been without a member for over a year now. I have had occasion to visit this district several times and road conditions of course are one of the big problems to contend with on the Southern Shore. The point was brought to me that, as they had no member, what should they do? I suggested that the Premier, who is always ready, willing and able to take over any post, that he should be the one to be contacted and perhaps, with his influence, which we all know he has on the other side of the House, something may be done.

With reference to this particular road, a grader is on it but when a grader gets to rock bottom, how much farther down do you go? So, I have very much pleasure, as I said Sir, in supporting this petition and would urge the Minister of Highways, who is now in his seat, to take some action on this, as other parts of the area that the road conditions are really deplorable.

MR. BARBOUR: Mr. Speaker, I recall a few years ago, when I accompanied an hon. member, who was then in the Parliament at Ottawa, on a political meeting. I was asked to speak. After the meeting closed the hon. member said: "Mr. Barbour, I am the candidate and not you," which indicated, because of my interest in the fishermen of that area, the people just simply flocked around me and directed their questions to me and not to the candidate for a certain party. I also remember - not the Liberal Party - I also recall, Sir, when I was fighting vigorously, hard to help the fishermen of Newfoundland and Labrador. Tors Cove was one of the first places that sent me loyal support, in the form of a telegram. Therefore, I would be very, very mean, I would be very, very remiss if I did not support

the petition so ably presented by the Premier of this Province. I endorse the petition.

ORDERS OF THE DAY:

COMMITTEE OF SUPPLY:

Mr. Chairman: Page 30, Item 8. Mines, Agriculture & Resources:

Shall 801-01 carry.

MR. CALLAHAN: Mr. Chairman, if I could just lay on the Table of the committee, as I told the committee, last night, I would do, the reorganization of the Division of Agriculture and Food.

MR. NOEL: Shall 801-01 carry? 02-01, -02, -03 carried.

Shall 802-01 carry? 02-01, -02, -08 carried. Shall 811-01 carry?

MR. MARSHALL: On Wildlife. There is a matter that I would like to raise with the Minister, to ask him a question. Wildlife in the Province itself, what programmes have been instituted over the past year or two or three years, three or four years, to introduce into the Province all kinds of wild birds and game animals; to introduce wildlife into the Province itself? I understand that the Minister had adopted and cherished a programme for the introduction of different species of wildlife etc. I am just wondering how successful that has been.

MR. CALLAHAN: Generally, Mr. Chairman, the introduction has been in the area of game birds and buffalo. I think the committee is aware of the fact that the buffalo experiments for a time looked as if it would end in failure. There is some hope now that perhaps the animals are adapting to their new environment and we may recover some value in that programme, but there have not been any new introduction in the past couple of years. We are much more concerned in fact with managing the game resources we now have. We also have some concern about being too hasty on introductions that might in fact compete for food sources, also perhaps have some parasitology result or some other incompatibility would exist

For example: It has been suggested we should introduce white-tailed deer. Our biologists tell me that these animals have in their blood-streams a parasite which is not harmful to them but would be extremely harmful, for example, to moose. So, it is a question of biological consideration and also a question of managing what we have at this point rather than just going off and introducing a wider range of species that we probably could not control.

MR. COLLINS: Mr. Chairman, before we get away from this article, just a couple of questions for the Minister. I have received a great number of complaints from hunters in the Gambo - Terra Nova - Rattling Brook area, (which is a management area, as the Minister knows): The basis for the complaint seems to be that hunters are having difficulty manoeuvring over the woods roads. A great many areas have bridges and culverts washed out, because the paper companies have abandoned the areas from a point of view of cutting timber. They have also given up their work in terms of maintenance of the roads. Now, if we are going to continue to classify those areas as management areas for hunting moose and caribou, moose in particular, and issue licenses for them, then I think that the Province, possibly in cooperation with the woods companies, have the responsibility to, not to pave the roads or grade them every day but certainly make them passable for cars and pick-ups etc. I have also received a great number of complaints with regard to licensing. There are a lot of people around Central Newfoundland who find, this year especially, that they have been unsuccessful in obtaining licenses.

I remember when the management areas were first set up, a few years ago, there were always a certain number of licenses available in the area. For instance; one could go to the store or to the Mines, Agriculture & Resources Office in Gander and pick up licenses for the Gander area. Likewise there was an outlet in Rattling Brook area and Millertown. Now, we find that people have to make their application to St. John's. Of course, being in competition with

MR. COLLINS: all of Newfoundland, I do not know how the officials decide who gets a licence. I have been told that it is on a first come, first served basis. I believe we are going to have to come up with a better system, because more and more people are applying for licences every year. More and more people are coming in from the Mainland and from the States,

I believe that the minister is going to have a very careful look at this, possibly increase the number of licence, if the inventory of the department show that this can be done. If not, then we are going to have to come up with a system whereby everybody across Newfoundland, from Port aux Basques to St. John's, gets an equal chance.

Now I mentioned in the House before the method used with an initial licence for the caribou herd on the Avalon Peninsula, whereby all of the hunting of that herd was confined to residents of St. John's and the Avalon Peninsula, including or excluding all the rest of the people of the Province. That in my opinion is discriminatory, and should never happen again, because people from outside have the same right to come in here and hunt as people from this particular area have to go to Central Newfoundland or Western Newfoundland to hunt. Would the minister please indicate to the Committee what he has got in mind for repairs of bridges and roads and a more equitable licensing system?

MR. CALLAHAN: Yes, Mr. Chairman, I would be very pleased to do that. On the road matter; last fall we appointed, in the Newfoundland Forest Service, a professional forester to be director of access road administration, in order to have some correlation and some co-ordination of access roads construction and maintenance. This was designed to lead up to the assumption of responsibility, under the new forestry programme that is recommended by the Royal Commission, of all the forests and other access roads and resource access roads in the Province. I do not think it shows, I was just looking in Wildlife votes, I think in fact, it shows in the Forestry votes a very large amount of money on access roads, and included in that is, I believe, an amount of \$150,000 for repairs and maintenance and upgrading of roads used principally for hunting purposes. So I think the matter to which

MR. CALLAHAN: the hon. member refers will be looked after, but it will probably be done more through forestry than through Wildlife, because Forestry has the set up and the people and the equipment, and our particular forester, who is Director of Access Road Administration, convenes a departmental committee which will be from now on responsible for access roads, to ensure that they serve more than one purpose where that is possible to do. They may serve several purposes. It would be quite silly to build two roads, say ten miles apart, or to be maintaining a road ten miles from another road being built, when one perhaps stretch of road could take care of several purposes.

On the matter of licensing we have had a very thorough look at it.

I am surprised, I had thought I had send the hon. member a breakdown of the licensing distributions of the Gambo Management Area, which showed that in excess of half of the licences distributed in that area went to residents of that particular area. I think the total was 630 licences, something in that order, and more than half had gone to residents of the immediate area, meaning Gander, Glenwood, and the communities around, between say Gambo and Appleton.

MR. COLLINS: The first half went to the immediate area, and about half of them went to the surrounding area Bonavista Bay, Norte Dame Bay.

MR. CALLAHAN: Well the area surrounding that management area. I think, the hon. the member for Gander will recall he was present when I was, at a meeting of the Gander Rod and Gun Club, to deal with the snow machine question, to talk about regulations. This same question he has raised was raised there, and I have send the Gander Rod. and Gun Club a complete breakdown of the licensing and I had thought we had sent the hon. member a copy. If I have not, it is an oversight and I will see that it is done. But, it was a pretty respectable breakdown, in my opinion, and indicated that certainly the residents of the immediate area had been well served.

On the procedure for licensing; it has been tightened up for many good reasons, Mr. Chairman, . What happens is that, as licence applications come in they do not come directly to the Wildlife Service or to the Department of



MR. CALLAHAN: Mines, Agriculture and Resources, they are received, in the first instance, by the Central Cashier of the Department of Finance. There as they arrive, they are time stamped and dated, then we take them in order, on a first come first served basis, based upon the time and date stamping. We have looked at all the possibilities of improving that system and, frankly, I cannot see how it can be improved, given the need for efficiency and given also the need for control, because you have to have some pretty stringent controls. There are large amounts of money involved. We think, it should be done through the Department of Finance and through the Central Cashier, and that is the advice we get, both from the Department of Finance and from the Auditor General's Department.

So we are not happy about having people selling licences, you know, all over the place or in locations around the Province, because the central control of the money is not easily obtained. We find, on checking the postal stamps, that applications for licences almost invariably arrive here within twenty-four to forty-eight hours. I think the record, as we reviewed the distribution in management areas, the record of distribution is, I think, very good, in terms of the numbers of licences going to people in the management areas or living near the management areas, in relation to those from the rest of the Province. The suspicion is that half go to the Bonavista Bay area, half go to St. John's. That is far from correct. I checked the other day and I think about forty or forty-five of the 600 licences or 700 licences for that area actually went to St. John's residents, which is, I think, around eight or nine percent, which is not a very big total.

So we reviewed it carefully, Mr. Chairman, and we think it is as good a system as we can devise, unless we were to actually set up very expensive licensing and financial control offices around the Province, and we think that that would not be good either from an economic or from a control point of view.

On the Avalon caribou herd, as I think I have indicated to the House before, we are extremely proud of the result of the management programme there. But it would not have been able to be done without the co-operation



MR. CALLAHAN: of the people who live all around that area. Now, I think it would be quite unrealistic to attempt to distribute those 120 licences, which was the allocation this year -and it has grown over five years from forty, on a sustained deal bases, which indicates to me a first class management programme. It would be pretty unrealistic to try to distribute 120 licences all over the Province. I do not think it would mean very much. On the other hand, there is no difficulty with caribou populations in the rest of the Province, and we have much less in the way of demand for caribou licences, at the moment, than we have for moose. On the other hand, the caribou population is growing relatively much faster than the moose population.

So the point really is that residents of other parts of the Province than the Avalon Peninsula are not being treated discriminately or with discrimination in terms of their ability to get a moose licence or a caribou licence or to have access to a good chance to obtain a caribou, because of the population and because there are some 1200 licences available to 500,000 people, whereas, in the case of the Avalon herd, it is 120,000 to about half the population of the Province.

Really, I think, on all counts, it is not a bad situation. Now, I will see that the hon. member gets the breakdown for the Gambo Management Area.

While I am on my feet, Mr. Chairman, and this may add a little more fuel to the argument of the hon. the member for Gander, I want to say that the special caribou hunting season for Burnett Island, which is restricted to residents generally of the Burnin Peninsula, Fortune Bay area, has been outlined in terms of dates. The season will run from September 20 to October 9. . Members from that area wish to note that, there will be sixty licences issued and they will, as I have said, be available only to residents of the Burin Peninsula/Fortune Bay area.

The same principle applies to the Islands adjacent to that area of the Province. Again, it is a matter of co-operation, The people in that area could quite easily be out, by boat, poaching these animals, but they are co-operating with us. The policy established some years ago was that, within

MR. CALLAHAN: that kind of situation where we required a good deal of public support and co-operation, we would reciprocate in a limited licensing situation by making the licences only available to residents of adjacent communities.

The licences in this case will be awarded as a result of a public draw, to be held May 28, at 3:00 P.M., in the Marystown Shopping Centre. Applications must be received by the Wildlife Service by May 26. Now there has already been some general notice of this, so I think there will be no problem with people being aware of it.

AN HON. MEMBER: Inaudible.

MR. CALLAHAN: By May 26 the licences should be in, and the draw will be May 28.

MR. EARLE: Mr. Chairman, may I interrupt the minister there on that?

MR. CALLAHAN: Yes, Mr. Chairman.

MR. EARLE: I would like to make a point, before I forget. This is fine for a section of Fortune Bay, but the people on the other side of the bay have no opportunity whatsoever to get across to the Shopping Mall.

MR. HICCOXIAN: They do not have to be there.

MR. CALLAHAN: They do not have to be there.

MR. EARLE: They can get someone to do it for them.

MR. CALLAHAN: Oh, well their names will simply be drawn.

MR. EARLE: I see.

MR. CALLAHAN: Let me say this, Mr. Chairman, thirty-six licences will be issued to residents of the Burin Peninsula and the other twenty-four to residents of the Grand La Pierre - Harbour Breton Coast of Fortune Bay. We made this breakdown on basis of ratio to population. All applicants must be eighteen years of age or over and, as we do in the case of the Avalon herd, when they come to pickup their licences they must be able to show proof of age and eligibility to hold a hunting licence, which will include, of course, some proof of residence.

MR. MURPHY: You do not have to be card carrying Liberal.

MR. CALLAHAN: No.

MR. HICKMAN: From Grand La Pierre to where?

MR. CALLAHAN: That is not a requirement, Mr. Chairman. There is other information here which will go out to the media.

AN HON. MEMBER: Inaudible.

MR. CALLAHAN: I have not gotten down that far, Mr. Chairman. Yes, it will. A draw will be conducted to determine which hunters will be allowed to take doe or stag caribou.

MR. COLLINS: What is the point in saying that you can take caribou from September 20 and October 9?

MR. CALLAHAN: I am not a biologist and I...., Mr. Chairman.

MR. COLLINS: There is no need for a trophy, But I am sure the people on Burin Peninsula or Fortune Bay are not interested in trophies, they are interested in the meat.

MR. CALLAHAN: Well, this -

MR. COLLINS: A stag caribou is not fit to eat.

MR. CALLAHAN: This is a good question, I can get the information, I am not a big game hunters and I am not a biologist, Mr. Chairman.

MR. COLLINS: Inaudible.

MR. CALLAHAN: I will inquire about that. There is other information here, but it will be made available through the media.

MR. MURPHY: Mr. Chairman, with reference to the point as raised by my hon. colleague here, that is personal licences for shooting moose: I am wondering how did the professional guide fit in now?. I had correspondence from Badger, where this chap, and there was quite a number, I was amazed actually the number of people who come in for moose hunting. I think he had something like five working with him and he had his camp set up in various areas in the Millertown, Buchan's junction. According to him, I do not know if I got the story actually right, because I was only chatting for five minutes with him, there was a group there. But, apparently, he was treated I think the same as an individual, this is what I inferred from him. Is there any special provision for, like the tourist who come in or a hunter comes in from the Mainland or from the States, and these guides, I

MR. MURPHY: would imagine they are registered. I presume they have to be, because I believe their facilities are inspected so on and so forth. Is there any special provision made for these people who argue that they bring a lot of money in from outside, without prejudice, of course, to the local resident. I am just wondering if the minister would give us some idea of just how these boys would operate, perhaps he might have twenty people say booked, and they are booked some months in advance, to come in. How are they treated to a share of licences?

MR. CALLAHAN: Well, Mr. Chairman, we try to maintain a balance between residents and non-residents, to begin with. At the moment we have not felt the need to establish a ratio in respect of moose, because moose are not the prime animal sought by visiting hunters, they want to go for caribou. In the case of caribou, we have established a ratio of sixty percent residents and forty percent non-residents.

Last year the House may recall, when it appeared that the non-residents proportion was rising faster than the resident requirement, we stopped selling licences for non-resident purposes and announced the fact and told residents if they wanted a licence they had another extra two or three weeks. As it happened they did not pick them up, so we then sold off any remaining licences to non-residents on the basis of applications on hand. We try to maintain that ratio on caribou.

So far as both caribou and moose are concerned, the procedure is that the outfitters or caterers advertise their facilities, generally in "Field and Streams," "Sports and Field" and various publications mailed to the United States. People see the advertisements, they apply to the hunter or the caterer and the caterer then advises them as to requirements. They send in the money. They send them the application form to fill out, and then he applies for as many licences as he thinks he will need.

MR. MURPHY: They are applied for perhaps in the name of the hunter himself. He cannot procure ten or fifteen or twenty say?

MR. CALLAHAN: No, it has to be done personally by the hunter. He fills out the application, he sends his money and it is brought to us by the caterer, in his behalf. The licence has to be issued to the individual and it is not

MR CALLAHAN: transferable. Otherwise you could have bootlegging and goodness knows what is going on.

There are some hunters who apply directly to us, and we try to steer them back to the caterer. That is difficult for us because we do not want to be picking and choosing among caterers. When this does happen, if they express the desire as to where they wish to go, then we try to deal with the caterer, try to see that some caterer, who perhaps is not up to potential, does not get the chance to get that hunter. It is a bit of an unfair situation. As the hon. Leader of the Opposition said, MR. Chairman, the facilities come under the Tourist Bureau and we only are responsible, really, for providing the basic wildlife harvest for the Tourist Industry.

So, as we are doing in other areas of Government, we are trying now to better co-ordinate this activity so that perhaps the Tourist Development Office may in fact wind up dealing directly with the outfitters, in other words, we will tell Tourist Division how many licences there are and they then will deal with the caterers for distribution purposes.

There have been some problems with people applying late. There was one man applied late this year, looking for twenty-one licences and he could not get one. Well, we went back and explained the situation and suggested that he could get them in Labrador and he was very happy. So we got them in Labrador for him.

But it is a valuable industry and we try to accommodate it, always keeping in mind that our resident hunters have some rights too.

MR. EARLE: Mr. Chairman, on the protection of the industry, I would like the minister to tell the House what, if anything, they are doing about the snowmobile or ski-doo menace? I understand that these infernal machines frighten the living daylights out of all game. They are growing in vast numbers. Everybody seems to have one or two of them in their backyard and operating, and they are ranging so far afield there is hardly a nook or cranny of the whole Province but is accessible to these particular machines. Has there been any attempt to limit their operations, to keep them out of areas or restrict the numbers or anything of this sort, or is it just wide open?

MR. CROSSIE: Are they being licensed yet? What about the legislation we passed last year?



MR. CALLAHAN: Yes, Mr. Chairman, there was legislation passed last session and, as hon. members will recall, I said at that time, because it was a controversial matter and it was a pretty wide ranging debate, I said that before we brought regulations we would try to ascertain, through one way or another, There was a suggestion, maybe of the Committee of the House, and other suggestions were made; what the feelings of the public were?

Well, I have been trying to do that and I have been going around and having some public meetings, public meetings called by or sponsored by Rod and Gun Clubs. I have been able to find time to do this in Corner Brook, Gander and Grand Falls. I have to do some more along this line, to try to get down to some common sense approach, Not to licensing, I think that is not a major problem, Everybody agrees that there must be a form of licensing and registration, but a common sense approach to regulation.

The hon. member said the numbers of these machines have increased tremendously. There are, I suggest, about, no less than 10,000 of them. They can range



MR. CALLAHAN.

at the moment virtually anywhere. To really keep tabs on them, you need another 10,000 machines, with officials on them chasing them around. So that is not a very practical approach. I think we are getting down to - we have been able to distil most of the suggestions made, down to a fairly reasonable basis for regulations, for regulatory control which, among other things, will, I believe, include in the regulations, when they are finally drafted, will include the setting aside of particular wildlife areas, which will be barred. In other words, you just cannot go into these areas without a permit. The permit must be obtained, and if somebody is in there without a permit, then obviously he is breaking the law. The other thing we want to do is to (we are working on this) establish a schedule of the abandoned woods roads and also to perhaps set up across-country trails. Because I think the answer is not simply to bar the machines. I do not think there is any future in that. They are going to be here. They are going to stay. In our context, long winters, winter recreation is an extremely important facet of life. So we do not want to impede people's enjoyment of this new form of recreation. We do think that there are controls to be established. What we have to do is to provide alternatives. So we have suggested the use of the unplowed but normally used roads in Provincial Park. We will be suggesting cross-country trails, abandoned roads, perhaps the use of some of the community pastures, wide-open areas that can safely be used if there is enough snow to cover them. That will be regulated according to weather conditions. Generally speaking, it will provide people with safe places to go and at the same time enable the establishment of restricted areas, therefore the protection of wildlife, where these vehicles would not go except with a special permit.

MR. WILLIAM R. SMALLWOOD: Mr. Chairman, this past weekend, accompanied by my son, I was up in the area bounded by the Trans-Canada Highway, the Salmonier Line and road down through Markland. As a matter of fact, I go up into that area quite often, almost every weekend, summer, winter and spring. While up there I heard what I thought to be a small outboard motor. It seemed to start up and died out in about thirty seconds. About five minutes later, I heard it again. The third time I heard

Mr. Smallwood (W.R.):

it, I realized it was not an outboard motor and that it had to be a ruffed grouse. So knowing that it was in the vicinity, I listened again and walked towards the sound and then suddenly I came upon it, making the drumming sound. Now I had seen that on the Canadian Wildlife Advertisement, on television. I have never actually seen it happen before. It was quite a sight, I must say. I wonder would the minister tell - a ruffed grouse making the drumming sound. In other words, first of all it sticks its tail feathers up and then it starts beating its wings against its body and it makes a sound almost exactly like an outboard motor. It was the first time that I ever actually saw that in reality, except on television. I wonder would the minister tell us what success there has been with the introduction of the ruffed grouse in Newfoundland? I understand that they were introduced several years ago in different parts of the Avalon and the mainland part of it.

Now in the last several years, I have seen ruffed grouse in the summer and winter. But actually this is the first time that I have actually seen them doing this drumming. I wonder, Sir, if the minister could tell us what success, actually, there has been with the introduction of them on the Avalon and over what areas they have spread?

MR. CALLAHAN: I do not have the precise answer, Mr. Chairman, but I will get it.

MR. P. J. LEWIS: Mr. Chairman, on this vote, before it passes and specifically for the purpose of commending the authorities insofar as the Avalon caribou herd is concerned; When this Government first came into office, many years ago now, the caribou herd on the Avalon was decimated. In fact it was down to something like 250 head. That herd had existed there for many years and had been a source of subsistence, to a limited extent, and also a great source of hunting sport. But it had become neglected and a great deal of depredation had taken place, with the result that, as I said, that herd had become almost decimated. This Government, under the direction of the predecessor of my hon. friend here, took a serious look at the area and the herd. He enlisted the services of one man

Mr. Lewis

in particular to whom I have great pleasure in paying tribute. His name is Michael Nolan and he is the one, who, acting under the direction of the Wildlife Division, has been responsible very largely for bringing the caribou herd up to what it now is. At its last count, in October of last year, there was something over 1,000 head. It is now 1,200. The actual position is that it has reached the stage, I believe, where it has out-grown in numbers the pasture facilities that are available on that area. But there is one particular feature about it which should be worthy of note, and it is this: The herd on the mainland area of the Island, as the committee knows, became subject to a sort of a pestilential disease some years ago, which had the effect, I understand, of reducing the herd. But that never did reach the Avalon herd. They were immune from it, partly, I think, because of the fact that a keen watch was kept upon the lynx population, which I believe had been isolated as the reason for this epidemic in the caribou herd.

Now within recent years, the last two, I believe, the area has been opened to a limited number of licences. I believe it is fifty. I am not sure. I would urge upon the minister and his responsible officers to watch that situation and watch it keenly, because that herd, which has been developed to the extent that it has now reached, is due, as I said, largely to dedication and very faithful service. It should not be allowed to be over-hunted, which can happen unless the area is adequately patrolled. As you know, Mr. Chairman, a wilderness area was constituted over a certain portion of the Avalon, between the Trans Canada and back towards Trepassey, two or three years ago. That, too, has had a salutary effect in maintaining and preserving this herd. I have a very special, personal interest in those animals. I would admonish the minister and request most respectfully to see to it that that herd is passed on by him to his successors, preserved insofar as possible for the benefit of the future generations who will be able to take advantage of the natural resources of the Avalon Peninsula in that regard.

MR. CROSBIE: I certainly agree with what the previous speaker said, Mr. Chairman,

Mr. Crosbie.

There was a most interesting television programme ( I forget how many months ago now) on the Avalon Caribou Herd. I am sure the minister saw it. I do not know who..

MR. CALLAHAN: It was CBC.

MR. CROSBIE: CBC was it? It was an excellent programme on the Avalon Caribou Herd. It was with the co-operation and assistance of the minister. The only thing we did not see was the minister out with the animals. There was no political connotation on the programme at all. It was strictly an animal show. The hon. member for Green Bay was mentioning ruffed grouse a few minutes ago. There are going to be a lot of ruffed politicians when the election is over. You will see them all with their wings flapping in the next few months.

I only have a few words to say on this, Mr. Chairman. I am waiting until I get to the hon. Minister of Social Services and Rehabilitation, estimates. What amazes me, Mr. Chairman, flying over Central Newfoundland when I say Central Newfoundland, when you take the plane and go down past Swift Current, in behind Terrenceville and across country to Kaegudeck Lake and then on through that way— on a fine day like today, what amazes me in the fall is how few animals you see. I have done a lot of flying in that way and the number of caribou that we saw last year, just flying around looking for them, was amazingly small. You can fly two or three hours and perhaps only see at the best one or two moose. The most caribou we saw was coming out. We saw one herd of eight or nine. I wonder if the minister could give us the figures on the moose and caribou population, the latest figures, because it seems that certainly in that area it is quite noticeable, I think, that there has been a decline in the number of moose and caribou in the last six, eight or ten years. I wonder what the minister might have to say on that?

In addition, Mr. Chairman, I feel that the minister better establish his zones before the snow falls next year. The minister should have certain

Mr. Crosbie.

zones on which no one can go with a snowmobile or even before the snow comes where nobody can go with an amphicat and these other machines. It is not only the snowmobiles that are causing the trouble. You can get other machines now, and an amphicat is one of them, that will travel over bog and muskeg .  
across  
You can go right, this Island on them pretty well, even without any snow down. Those kinds of machines should be licenced too and have to get permits to go into certain areas. If the minister does not start that, my guess would be that in two or three years the best areas in this country, for moose, caribou, ducks and the like, are going to be completely shot out. So that these management areas, where you can only go when you got a permit to go for a certain period of time, that should definitely be instituted before next winter.

The situation now is, Mr. Chairman, that when you fly anywhere, if you leave any airport on a float plane to fly into the interior, you must report where you are going, and your destination. The same thing is going to have to be made true in connection with these zones, that the minister mentioned that his department are going to start. If that is not done, the few people who have these machines and who are avid hunters are going to have killed out the animal resources of this Province and the duck resources. I have talked to people, and the number of animals they have bagged and the number of birds they have taken in this Province, within the last year or so, Mr. Chairman, is just amazing. They go in on amphicats. They fly in. They go in on snowmobiles. If the minister does not get them under control, if the Government do not, it will be only three, four or five years before we will have very little to shoot at here in Newfoundland. I am sure the minister is aware of how serious this is. Could he tell the House whether he plans to have these control areas? Are they likely to be instituted before next winter and also could he give us some idea of what the moose and caribou population now is?

MR. CALLAHAN: Yes, Mr. Chairman, we do plan to implement programmes for next winter. The House or the committee will recall, the legislation to which reference was made earlier this morning, actually does not refer only to snowmobiles but refers to all terrain vehicles and we mean all terrain vehicles. Everything from



Mr. Callahan

snow machines to the rubber tired types and even the small hover craft, personal hover crafts, which are being produced now in some numbers. That will be done and it will be done before the next coming season or next winter.

On the matter of populations, the moose population at the moment, Mr. Chairman, is calculated or at least was before the season or the last season, at approximately 42,000 animals, which is very respectable in terms of total population. The pressure on the moose population is increasing. There were in the past year nearly 20,000 licences. We are looking at the situation very closely to see whether any restriction of ceiling on licencing needs to be imposed. We are not sure it does. The legal kill is something less than perhaps twenty-five per cent of the population. The biologists tell me that that is a pretty safe level for sustained yield, or sustained harvest.

MR. MURPHY: What is the ratio of success?

MR. CALLAHAN: The ratio of success, Mr. Chairman, I am not sure of the present year because we do not have all the returns calculated. But the ratio of success in the previous season, I believe was in the order of sixty-eight per cent. That was the highest of any area in North America, other than the Yukon. So it is extremely high. What we do not know, of course, Mr. Chairman, is the illegal kill. We know the legal kill. We know that it is in the range of about 10,000, which I have said is less than twenty-five per cent. That is still a safe level. But we do not want to over-look the possibility that a census could be wrong or you could have a disease problem or something could happen. So we are trying to look ahead to two, three, four or five years, to what the pressure impact might be, in order to determine whether we can keep the actual harvest within those limits. The caribou population is the highest it has ever been in our history. My own opinion - we have done this past fall, over a period of three months, what we call the five year census, which is a complete census of the Island. This is not referring to Labrador, because we have a special problem. But using a grid system and using helicopters and small



Mr. Callahan.

fixed-wing aircraft in an intensive population census, we estimate the population between 14,000 and 16,000 animals. This is the highest recorded population in the Island. It certainly puts - well, these census have been going on for fifteen, eighteen years. The census have never shown this kind of population increase. So the population, we know, is increasing. We know what the estimates have been in the previous five year census and in the intermediate ones. We are able to say definitively, Mr. Chairman, that the population is healthy and is increasing. I think this lays to rest the fears that have been expressed, over a period of years, of the Trans-Canada Highway, about the Bay d'Espoir power development and all kinds of other development that were said to have been endangering the caribou population. In fact the population, the biologists tell me, is healthy and higher than there records have ever shown it to be.

Now, when I say that I want to add this, Mr. Chairman, that that does not mean that immediately we have to entertain increasing the number of licences. It does not mean that. My own conviction is

MR. CALLAHAN:

and I think it is shared by our officials, that we have a far better future in terms of big game animal, in caribou and in moose. We have far more in the way of peat land and barren land where caribou can thrive and live and feed and exist than we have of forest land for a major expansion of moose population, and forest land is being continually used for other uses. So you are removing the potential or some of it from the growth of the moose population every time you cut a tree. My own feeling is that the caribou have far more room to expand and far better conditions to expand in population than moose.

The point is that if we keep the lid off, if we keep present licensing at about the present level that, of course, gives us a much broader springboard, in terms of population, for a much more rapid increase in the numbers of animals in the population generally, and that is the programme, the attitude, the policy that we have adopted. If the increase in caribou continues as it has been doing, with no real or significant expansion in the numbers of licenses, then we can look for very, very large growth there. This is the animal that really is important to the tourist sector of hunting, the visitor hunters. I think we will develop there a very, very valuable resource to this Province. But so far as the populations are concerned, they are healthy. The caribou are growing, the moose are in good shape, populationwise, and I can say that we have at the moment no significant wildlife problem such as the one to which the hon. senior member for Harbour Main referred to some years ago, which was not a significant disease problem but rather was the case of an over expansion of the lynx population, with widespread attacks on caribou calves, which thereby developed septicemia and were dying in fact of blood poisoning.

The answer to that was to take down, with the bounty system, the lynx population. This was done and it is, I think I can safely say, under control and has been ever since. But we are, I can tell the Committee, watching it

MR. CALLAHAN:

very carefully.

MR. WORNELL: Mr. Chairman, before the hon. Minister gets off the subject of moose and caribou, I was wondering if there were any plans for keeping moose off highways, that is in the much travelled part of the highway?

AN HON. MEMBER: (Inaudible).

MR. WORNELL: Oh, we know that, Mr. Chairman. They are becoming, as I said before, hazardous to traffic and I am just wondering if we could keep them from the more populated areas, you know from the cities or towns.

MR. CALLAHAN: Well, there is being operated by the Newfoundland Safety Council a defensive driving school and we are thinking about enrolling some of our moose in that school and perhaps that will show the result the hon. member desires.

MR. WINSOR: Well, before the Minister passes this item, I was going to direct one or two questions to the hon. Minister before he passes this item: If he will give serious consideration to the licensing of or, before he does, the licensing of snowmobiles, would he give special consideration to Labrador, especially the district of Labrador North? As the Minister knows, the dog team has just about disappeared in Labrador and the only means of transportation now, after the fall freeze up, is by snowmobiles and it is very essential to their way of life. I am sure the hon. Minister does not need me to tell him that the deer and the caribou are the only source of fresh meat to many of the people living in Labrador and, Sir, before he brings in any strict regulations as to the operations of snowmobiles, I trust he will give this matter very serious thought.

Then there is another question, Sir. Year after year I get inquiries as to permits to hunt on the Mealey Mountains, Has the Minister any information whether that herd is increasing or decreasing? The other one, is there any account of what happened to the caribou that went to Labrador a few years ago? I think they were landed at Port Hope Simpson. Are they surviving? Are they

MR. WINSOR:

increasing or has the Minister any information regarding that herd?

MR. CALLAHAN: Mr. Chairman, I can give the hon. the member for Labrador North some information. We do have some preliminary census data on caribou in Central, Eastern Mealey Mountains and Red Wine Mountains area, and the reports indicate generally low density of population. There is some indication that the herd in ~~the Mealey~~ Mealey Mountains is increasing and this has been tough it has been tough for the hon. the member and it has been tough for me because we have had petitions and requests, every year for the past three years, while I have been there, to allow hunting, and we have had to regretfully say no, in order to try to build up the population. Heavy hunting in the Red Wine Mountain area has reduced it to a point where closed season is absolutely imperative.

We think it is possible, if not next year then certainly the year after, we may be able to have a harvest, if we keep the situation stable. But if we allow the population to get below the point where it can regenerate, then Mr. Chairman, obviously there will not be any caribou herd left. It is as simple as that. Now it has been very difficult to get a qualified wildlife biologist to go to Labrador and to live there, but about a year and one half ago we did get a good young man who, in my opinion, is doing a very good job for us and for the first time we are getting accurate information. Prior to that time, we could not get accurate information because we could not get a resident biologist. But we do have one now and I think we are in a position (a) to better understand what the position is and (b) consequently to be able better to manage the resource as it stands and to plan its resuscitation.

In Labrador West the moose population seems to be on the increase. It is possible that with a good calf crop this spring we may have a limited season on stags, only next year. Now the question of snowmobiles, I have a meeting planned, as soon as I can find the time, on the Labrador Coast and one in Western Labrador, to take about regulations. From the beginning we have stipulated and I think the Act bears this out, that we would look at the

MR. CALLAHAN:

problem regionally certainly as far as Labrador was concerned, because I think we need to treat the problem differently in that area.

MR. HICKMAN: Just one word, Mr. Chairman. I would like to deal primarily with the experimentation that has gone on on Brunette Island. The hon. Minister indicated that the buffalo experiment may now be showing (I think he used the word, "may,") some signs of success. I would appreciate it if he would indicate to the Committee, to refresh our memories, and I have forgotten, the number of buffalo landed on Brunette, the number of buffalo there now, how many calves have been produced on Brunette Island, buffalo calves since the experiment was started?

Personally I think that Brunette Island has a great future as a game sanctuary and an area to carry out this type of experimenting and introduction of wildlife into the Province. It is a large island with a fair amount of growth on it. No one lives there anymore and it is not that easily accessible either. There is not a good harbour there and you can only get in on certain days. I would hope that other species will be introduced and tried on Brunette Island first.

But with respect to the hunting of caribou on Brunette Island, that is the sort of decision that can arouse a great deal of controversy and a great deal of passion amongst, depending on whether you are a hunter or a member of the SPCA. Two years ago or three years ago limited hunting was permitted on Brunette Island, Now I have to confess that I never shot a moose or a caribou in my life and I do not propose ever trying, but I found myself on an open-line programme once, in Grand Bank, right after this season had closed. I was totally unaware of it and I did not know what the issue was and particularly the clergy were really up tight over the method that had been followed in hunting on the Island, because they suggested to me that it was, and I had to agree with them because what they said was correct, that it was a pretty cruel way to go about it. Apparently you walked ashore out of a



MR. HICKMAN:

boat and the area is rather confined and you saw a caribou and you took a shot at it and if you missed it or wounded it, go on and look for another.

MR. CALLAHAN: No way.

MR. HICKMAN: This is what I was told. Now the hon. Minister, I think, said last year that there was not that much evidence of wounding. But what I do suggest to the hon. Minister is to allay the justifiable fears of the people of that area, that during the limited time that this sanctuary is open for hunting that there be very, very rigid control. If the hon. Minister had five or six or seven inspectors there the last time, then I recommend that he double that number this time. Mind you it occurs to me that it is a contradiction in itself to have a sanctuary for wildlife or game and then open it up to hunting periods. I do not know if it is or not, but it seems to me that the poor caribou does not stand much of a chance on an island when that island is invaded by a bunch of hunters with 222's or whatever they use. Well, I do not know what they use to shoot them with but I can tell you they have very, very limited area to roam.

Now the other question, as the hon. Minister knows, a point that aroused the discontent of people on the South Coast was with respect to the issuance of the licences. I do not know if there is an alternative formula but there was one suggested but, as I understand it, all the licences are thrown into a pot. They will be drawn at Marystown this time, thirty-six for the Burin Peninsula. Well, what happened the last time was that residents of certain towns were completely excluded in the sense that you have 4,000 people in Grand Bank, well you are going to get a much larger number of applications for licences than you will from Lamaline and even larger towns, such as Burin, found that there were no hunters at all from that area, no licences drawn. The suggestion that was made at that time was that the licences be allocated to the various towns on the Peninsula on a population basis.

MR. CALLAHAN: There are not enough licences.

MR. HICKMAN: You have thirty-six licences; so you say two for Point May, five



MR. HICKMAN:

for Grand Bank, five for Burin, five for Marystown.

MR. CALLAHAN: You cannot do that. You would have murder, you know.

MR. HICKMAN: Well, I am only passing on to the hon. Minister that there was close to murder down there the last time over the present system that was used.

Obviously that system was not satisfactory to those who go in for that sort of sport. You know you would have three from the one family, out of Grand Bank hunting, and nobody from Burin - maybe it is the luck of the draw. Maybe things will turn about the next time and other areas will be included and larger centres excluded by the draw. But I am only warning the Minister that if the same policy is followed this time as was followed the last time, he is going to be in for complaints and criticism from those who partake in this sport that may or may not be very delightful.

I think too that the comment from the hon. member for Gander, as to the date or dates of this hunt period, is very relevant. His suggestion is that if those who are going to hunt on Brunette Island are simply interested in getting a pair of antlers, then there is nothing wrong with the date suggested. But apparently if they want to use the meat, to eat the meat, then the period September 20 to October 9 is in the rutting season.

MR. CALLAHAN: Is it? I do not know.

MR. HICKMAN: I do not know anything about rutting but anyway I am prepared to take the hon. Minister's word for it. But if this is the rutting season, then I am told that the meat is not edible and also that the animals are not as friendly as they usually are and again, in a confined area, it may create dangers that are unnecessary. I am sure that a change of date from the 9th of October to the 15th is not going to put anyone out. If that is so, I do not know but the expert in this House on hunting is the hon. member for Gander and if he says that they are in heat on September 20, I think that we should take his word for it. I would ask the Minister to take another look or ask his biologist if that is so and, if it is so, to give consideration to changing these dates.

MR. HICKMAN:

Has the hon. Minister thought of, you know, to make that little activity over on Brunette Island more of a challenge than it is now and to give the caribou a fighting chance, of limiting it to bows and arrows or archery as they do in some Provinces?

MR. CALLAHAN: I have thought of it, but I doubt if the hon. gentleman's temporary constituents would really go for it.

MR. HICKMAN: Not temporary and I do not know if they will go for it or not, but at least it will give the caribou a fighting chance. They certainly do not have a fighting chance now. At least, so I am told that it is like V-E Day, when they step out of the boats the guns start blazing and, bearing in mind that these animals have been sort of left unmolested between times and they do not have the same fear of hunters as you would find in Central Newfoundland and they are not even equipped to handle traffic like the moose that the hon. member for Hermitage is referring to.

MR. EARLE: Mr Chairman, if you will permit me perhaps I can help you out. My hon. friend here, in my neighbouring constituency, is showing an awful lot of ignorance about hunting. I hate to contradict him but he is speaking about my revered constituents on Brunette Island, so I have to come to their defence, the buffalo of that particular area.

MR. CROSBIE: He got ten votes from Brunette Island last time.

MR. EARLE: Actually Brunette Island is not like Chain Rock. It is not a small island by any means. You do not just step ashore and all the caribou are jammed up on the cliffs waiting to be shot. This is quite a large area and, just to relate an experience of a doctor who in my area went out. He was a small chap, a Philippino of very short stature, and he went out to shoot a caribou on that island and after two or three days out there he had walked so far and disappeared into so many bog holes that I practically lost a doctor, and I think that the caribou came out best on that particular encounter.

Another instance on that island, it is not so easy to get the animals

MR. EARLE:

as it is indicated. I had one old friend of mine, a great supporter of mine in the area who is now seventy years old, and he was delighted because he was very successful in getting a large male animal and my comment to him was that it must be great encouragement to the Premier, because there is a lot of people around, apparently, of seventy years old, who can still shoot a lot of bull.

MR. COLLINS: Mr. Chairman, possibly the Minister might be able to respond to this as well. With regard to non-resident hunters; I suppose their main reason for issuing licences to non-residents to come into the Province and hunt is the benefits to be derived from dollars which are spread around to gas stations, restaurants and hotels etc. I am not talking about the outfitters. There are a lot of people coming in from the mainland, especially cross the ferry to Port aux Basques, station wagons, to one of the management areas, possibly arrive in the evening, make a kill the following morning and because of the good weather in September and October take off again for New Brunswick, Nova Scotia or Ontario wherever it might be, without spending any money at all in the Province.

Now one of the problems, I understand, is that there seems to be a lack of cold storage facilities, for those hunters to protect their carcasses. Has the Minister ever thought about this and looked around to see where cold storage facilities might be made available? For instance, in Bishops Falls, which is in Gander district, the co-operative complex there might be able to accommodate some of those hunters. I believe, Mr. Chairman, that a lot of those people coming in would stay for a few days or possibly a week and drive down around the Coast and different places and leave a few dollars whereas now we find they come in and if they are lucky and make a quick kill, then they are gone back home just as quick as they can get out of here.

MR. CALLAHAN: Well, of course, there are quite a number who want that exact situation to happen. They want to get in today and get their animal and get out tomorrow, because it does not cost them to get a thousand pounds of

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MR. CALLAHAN:

meat. There are a fair number who come in trailers and do not spend any money even though they stay a week because they bring their own food and everything with them and all they have to pay for then is the guide. So there are variations. But on the point, Mr. Chairman, certainly as we develop, as we intend to do, new control temperature facilities, these will be available to accommodate the people to whom the hon. gentleman refers: On the matter of

MR. CALLAHAN Brunette Island again: What we are talking about Mr. Chairman, is a limited range. It is an island, and it can support a given number of animals. If you do not control the population and there is only one way to do it, then the population will outgrow the range. You will have disease, you will have malnutrition, and nature will take its toll. There is only one way, you have to have a controlled harvest. As the hon. the member for Fortune has said, Brunette Island is not like Chain Rock, it is something in the order of twenty-four square miles, which is a fair bit of territory. It is I think seven or eight miles by about four miles at the widest point. It is not a small place. What we do in fact is, we take a limited number of hunters in there. We have our people there, and the hunt is strictly controlled so that the desired number of male and female animals are taken, as I said, in order to protect the regeneration of the population, or the maintenance of the population.

It has to be done, Mr. Chairman, otherwise, as I have said, the animals will outgrow the range and they will become subject to diet problems, malnutrition and disease problems, and that would be a pretty terrible situation to contemplate.

MR. MURPHY: Would the hon. minister tell us, did we ever install these little transistors we were planning? Was that not suggested?

MR. CALLAHAN: I think somebody suggested that to scare us at one time, to keep them happy or something. We never proposed it, to my knowledge.

MR. MURPHY: No, this was a signal whereby they could be — the hon. Mr. Lane I think it was...

MR. CALLAHAN: Well, it has been discussed by wildlife managers. I do not think we have really ever contemplated it. Anyway, that is the position with the caribou and the buffalo, Mr. Chairman. I think we have ten animals of which either six or seven are native born, shall we say. We started with twenty-six, we lost two. Two died, one enroute and one by drowning, it went over the side of the boat when they were brought in six years ago. The population has been fluctuating, but the ten we have now



appear to be the healthiest animals we had yet. It is possible, if they survive on their own, as they must do, that out of those ten we will get a population. Do not forget that when moose were introduced to this island, in I think 1897, seven animals were introduced. Two of them died and the 42,000 we have today, despite the harvest over those seventy years, came from those five animals introduced at that point. So there is still hope.

MR. HICKMAN: What was planned in the beginning when the caribou were put on Brunette Island? If the herd grew, were some of the animals to be taken off the island and then turned loose on the mainland?

MR. CALLAHAN: Of course, Mr. Chairman, but they must adapt to the environment. This is a new environment for them, and until they can show that they can adapt and survive and create a population that can be transplanted, we have to continue on what still is an experiment.

MR. HICKMAN: This has to be proven yet?

MR. CALLAHAN: That is right.

MR. MARSHALL: There is one more question, Mr. Chairman, I want to ask the minister; Extra assistance on the salaries, with respect to the salaries there in -01, extra assistance is down considerably from what it had been in previous years. Extra assistance and overtime, \$34,783,000. I do not have last year's, but the year before that it was \$59 thousand and the year before that \$59 thousand.

MR. CALLAHAN: What subhead is that?

MR. MARSHALL: 811-01 on Wildlife. If you are looking in your other book it is page 34. I notice that the extra assistance, the provision for extra assistance and overtime, both in the Wildlife and Forestry Division to which we will come in a moment, is considerably less than it had been. I do not have the figures for last year here, but in '69 - '70 and '68 - '69. I am just wondering, has there been any curtailment of programme and why the assistance is down so much, as appreciably as it is, down below that which

it was two years ago or three years ago? I am referring to extra assistance and overtime.

MR. CALLAHAN: I am not sure of the answer, Mr. Chariman, I will get it and come back to it.

MR. MURPHY: Mr. Chairman, 03-02, if I may just revert back for a moment. I notice in '70 - '71, it was \$25 thousand and this year it is only \$3 thousand. I was just wondering, why the great cut in equipment, and what that equipment would be?

MR. CALLAHAN: I think this is a case, Mr. Chairman, where we purchased a number of new motor vehicles, snow machines, camping equipment, cooking equipment and normal motor vehicles last year. We do not therefore need to purchase this year.

MR. COLLINS: Before we pass -03, the Federal Department of Fisheries, as the minister knows, and as the committee knows, of course, is responsible for enforcing regulations with regard to salmon and trout. The Provincial jurisdiction of course is in wildlife. During the past number of years, the Federal Government have taken on a small number of guardians during the summer months. I think they employ those people from May, the 1st of May until around the end of September, approximately. There is certainly a great need for that and for more of them.

MR. CALLAHAN: They are river wardens.

MR. COLLINS: River wardens, river guardians.

Now, there is also a need for further protection in terms of wildlife officials, moose and caribou etc. in the fall of the year and in the winter months, especially now since we are going to have a lot of snowmobiles on the barrens and in the woods in the winter. Has the minister ever given any consideration to arranging something with the Federal Government whereby the levels can cooperate, and those people who are taken on as guardians in the summer by the Federal Government and laid off in September, can we not keep those people on doing Provincial work during the winter months?

I believe this is something which should be looked into very carefully, because the men who are taken on for two or three months with the Federal Government, the jobs are hardly worth doing. The wages are small and the term of employment is relatively short. The same thing applies almost with the Provincial need in terms of wildlife officers during the winter months. Has the minister ever thought about this and does he plan to do something about it? To cooperate with the Federal Government and keep those people on a full-time basis, fisheries officers in the summer, wildlife officers in the winter?

MR. CALLAHAN: Yes, it has been considered. A number of things have been considered, Mr. Chairman, including the possibility of perhaps the Province taking over the river warden service entirely so as to even better accomplish what the hon. member suggests, because, there are problems. One that quickly springs to mind is the difference in salary. For example, I think the river wardens would probably do much better with the Federal than they would do with us.

MR. COLLINS: The full-time officers would. The guardians make very little money, about three hundred dollars a month, I suppose.

MR. CALLAHAN: I think they probably would do a little better than they would do on a casual basis with us now, if they were wildlife officers, technicians, that kind of thing. In any event, we have looked at it from time to time. The principal concern we have right now is that we do not have enough river wardens. We have asked for an additional ninety-two to be appointed. The last time I checked was yesterday, I spoke with the office of the Federal Minister to see how far the thing had gotten and I was hoping to get an answer today. There was a sizeable reduction two years ago, in the number of river wardens, and we want to see it not only restored but it needs to be increased.

I will certainly take it up again with the wild life service, the hon. gentleman's suggestion.

MR. MURPHY: Mr. Chairman, while we are on that, and in view of the many

comments you hear of polluting the picnic sites and this type of thing, has that river warden, as such, any authority to bring to book actually people who continuously throw beer bottles, empty cans and this type of thing into the rivers? Has he that within the scope of his authority?

MR. CALLAHAN: I understand they have, as officers under the Canada Fisheries Act which prohibits the introduction of foreign or harmful substances into waters. I would say, yes, they have, Mr. Chairman.

MR. HICKMAN: Has the minister given any thought to recommending legislation prohibiting the use of nonreturnable bottles? I think the Minister of Highways has an even more serious problem with that than the Minister in charge of Wildlife. Alberta has introduced legislation and the reports seem to be that the effect was very salutary. For some reason, even though you only get two cents back on a bottle, more people are inclined to hang on to them. Obviously they are not going to hang on to the nonreturnables. If they are out in the country they just pile them anywhere. The countryside is being littered with nonreturnable bottles and cans, that is obvious.

Whether legislation prohibiting the use of nonreturnable bottles would have the effect here that it has had in at least Alberta, and there maybe other Provinces that have introduced legislation— anywhere it has been introduced, I am told, the results have been very favourable. It seems to me that any legislation that will curb or reduce the nonreturnable bottles we find around the countryside now would be most desirable at this time.

MR. CALLAHAN: Mr. Chairman, this is not really the place I suppose to be discussing this, but we can deal with it when we get to Cleaner Water and Soil Authority, which is preparing some draft policies and regulations. Generally speaking, we have no intention to bring in legislation. The reasons are I think threefold. In the first instance, the whole container and package industry has to be looked at. I think soft drink beverage containers are only one small part of a much larger problem.

The second thing is, that that industry in this Province (and I think there are six or seven hundred people employed in it, in the

bottling industry) is governed almost absolutely by the trend and by the pace of containers manufactured in other Provinces. We would not be in much of a position to ban these containers, except by closing out our bottling plants or, by law, closing them down.

MR. HICKMAN: (Inaudible)

MR. CALLAHAN: We are getting into nonreturnable bottles and containers. If these are what the industry is using, these are what must be used. Unless there was a national agreement or an inter-provincial agreement to ban them we would effect really nothing. We could ban them, But then our bottling industry would be in the position of not being able to use the containers that are massed produced at the most economic cost. That I think would be harmful to the industry and to a lot of jobs here. That is an aspect of it.

So far as legislating an increase in price to compensate is concerned, I have some doubts. I have looked at the situation, particularly in British Columbia where they have tried it. It is not working very well.

That is probably one of the two Provinces, with Ontario, where it should because it is possible, with mass use, to have a recycling collection and recycling industry. If the most populated Provinces and the Provinces with the highest consumption are not having success, I have great doubt about our own. I think it has to be more of an education process, are now getting from time to time, I saw another one last week, private citizens who are attacking the litter problem by going out when they find some garbage dumped on the street, in the road or wherever, and actually going through it, identifying it and laying the information and complaint with the police. There was another conviction last week, in Central Newfoundland.

I think the public climate in respect of this sort of thing is improving tremendously. I think that is where the final answer will be.

MR. CROSBIE: Mr. Chairman, I think what the minister says is very sensible. After all, one of the great litter problems here in Newfoundland is the nonreturnable motor vehicle. The countryside is littered up with car wrecks



everywhere. What are you going to do, forbid the manufacturers to produce disposable motor vehicles? It is part of the same problem and bottles are only a small part of that problem. It cannot be solved by just legislating that you cannot use nondisposable bottles. I think what the minister has said is right. He is to be commended for his stand.

Motion, clause 03 carried.

MR. CROSBIE: Mr. Chairman, (06), last year the minister was going to table a list of the guests.

MR. CALLAHAN: I will make a note of that, Mr. Chairman. We did not have very many guests last year or this year. As the committee will see, we have reduced the vote and, in fact, only use the place on demand.

MR. MURPHY: \$2 thousand dollars.

MR. CALLAHAN: No, I think hon. members will find that the vote is down, I believe from \$10 thousand the year before.

MR. CROSBIE: Right.

MR. CALLAHAN: What we are looking at in the \$6,100 is the revised.

MR. CROSBIE: It was \$20,600.00

MR. CALLAHAN: It used to be \$20 thousand. We brought it to \$10 thousand and this year only \$8 thousand. We use the place only on demand. It does not make my friend from Gander very happy, because there were always two or three or four jobs there. It is a matter I think of some stringency. I will try to get the information. I think there were very few of these...

MR. CROSBIE: The minister was going to give us a list last year. He forgot and in all the pressure of business, we forgot.

Motion, 06, carried.

MR. CROSBIE: Consumable supplies. Is that liquor for the cabin or something like that?

MR. CALLAHAN: No that is...

MR. SMALLWOOD (J.R.): When I invite the Premier of Ontario to come down and occupy the Government's cabin, he comes with two or three of his ministers and spends three, four, or five days there, as guests of Newfoundland, we

provide the food and the refreshment.

MR. CROSBIE: I am all for that, but that is what this is for.

MR. CALLAHAN: No it is not, Mr. Chairman.

MR. SMALLWOOD: Well, it should be, if it is not.

MR. CALLAHAN: This subhead is for providing tags and seals and things to put on visiting Premiers, and moose and caribou.

MR. SMALLWOOD: We have had at least four premiers there and a lot of ministers from different Governments across Canada and in England. It has done us a lot of good.

MR. CALLAHAN: This vote, Mr. Chairman, really is for supplies required, licensing, for tagging game, game taken and game being managed and that type of thing. I might say that there will be, I think, an additional cost this year. We do not know what it will be yet for the new licensing system. I am thinking of the new family fishing license. We are going to start issuing as the law provides and has for years, badges so that it will be much easier for river wardens to operate. They see a man with a badge, with a number on it, and they know. They do not have to pull them off the river anymore nor waste time, they just go on.

I think also, because with the family license the youngsters will have a badge, I think we will probably build up some interest and feeling for resources among young people. We also will carry it through into the big game and small game licensing so that we will eliminate, I think, a lot of the problems we now have, where wardens do not know and nobody knows if the next fellow to you really is hunting legally. If a legal hunter has a badge on his back, there is no question that he is there about his rightful business. This is a new thing and it will cost some money that we cannot foresee at the moment. We do not know yet what the cost will be.

MR. MYRDEN: This information and education shows a big increase. Will this be running into the Tourist Development Department?

MR. CALLAHAN: Oh yes, this ties in, Mr. Chairman, with the wildlife park. We are hoping to do much more this year in terms of wildlife, static wildlife

displays. In other words, of obtaining good animals and having them preserved by taxidermists, and gotten ready for static displays in various places. One of my hopes is, and we discuss things like this from time to time in the Government. The hon. the Minister of Provincial Affairs and I have been talking about the possibility of acquiring sufficiently good displays to perhaps put together a good natural history museum. There are some tremendous natural history museums around the country, and we both have been looking at them, when we get a chance to travel, for example to Alberta, where they have this beautiful display. Perhaps if we can get enough good animals together and well mounted, and well preserved, this could be the basis for a good natural history display of indigenous Newfoundland wildlife. The vote is to intensify the effort in that department.

MR. CROSBIE: Where is this park going while you are on that? This wildlife park.

MR. CALLAHAN: Mr. Chairman, I think the first one will probably be in the area of Butter Pot. We have been looking at it for some years and it offers a number of attractions that are important to the kind of park we want to design. It is one where animals are not, so far as it is possible to avoid it, penned up, where you have a good lookout area looking down on a water body and a variety in habitat, where people will perhaps take a chance and maybe looking through binoculars and see these animals. They will see them in their wild and natural environment...

MR. CALLAHAN: and not hemmed up behind a wire fence, which we think is not a very satisfactory or educational position.

MR. CHAIRMAN: Shall Item 11 carry? Carried.

MR. EARLE: Fish Farming (13), this farming, Mr. Chairman, I wonder what the minister's intentions are, is it to be encouragement of private operators or a public thing? Are there many people showing an interest in it? I wonder if this is going to be a private effort or a public effort? Are there private operators interested in going into fish farming now on a commercial bases? In certain areas of Canada and the States it has been a pretty successful operation, from a business standpoint, I am wondering how the Government propose going about encouraging it. It is something which I think is a very good scheme, if it can be developed properly. Perhaps caution might be given the minister that in introducing species of fish into the lakes and ponds, that they will bring in something which is contiguous or similar to our own fish, because a lot of the stuff that is put in lakes away and is fed to the populace afterwards is felt, of very doubtful quality, as far as consumption is concerned. Our own fish are of a class of their own. I am wondering if the stocks of our own fish can be built up, so that we will have something which is particularly individualistic, as far as Newfoundland is concerned, not say a fish I think of, which is so predominant in Ontario, the bass, which has taken over many lakes up there. From a sportsman's standpoint it is an actual waste of time catching them, they are just like hooking up a rock. From a consumption standpoint they are even worse, because they are tasteless. If the Government goes into stocking lakes, I trust that they will have good advice on the types and species that they introduce, with particular stress on what we already have here and the building up of our own stocks of native trout and so on.

MR. CROSBIE: Can we get a good fish that tastes like good steak?

MR. CALLAHAN: Now maybe we have them hamburger, Mr. Chairman, It might turn out that way.

MR. CHAIRMAN: This vote is to provide for the studies which are being done by the firm of Hildebrand and Young of Winnipeg. Last fall, at a meeting of Forestry Ministers in Winnipeg, the ministers there, three or four of us I think, the last evening were invited to dinner by the Federal Minister, the hon. Jack Davis. The usual routine in Winnipeg, as I am sure Your Honour knows, for guests and visitors, is to present them with a plate of Winnipeg gold eye. I will not disparage publicly, Mr. Chairman, personally I would much prefer a good feed of cod tongues, some fishes eyes or something.

But, in any event, it was not Winnipeg gold eye that we were presented with, the chef brought in a big platter of rainbow trout. We discovered that these were trout which as one and a-half inch fingerlings had been introduced into, really, mudholes on the praries the previous May and taken out by commerical harvest, by sweeping the pond clean out in October, and they had grown to an average of fourteen inches to sixteen inches and they were very beautiful fish, beautiful to look at and beautiful to eat.

The firm that advised the Manitoba Government on this introduction of fish farming into that Province are Hildebrand and Young. I was no sooner back when, I assumed by coincidence, Mr. Chairman, the firm approached the Government with a proposal that they would do some studies for us. Now the studies have to involve a wide range including, as my hon. friend from Fortune mentioned, the type of types of fish that should be introduced. We do not want to bring in types that are not compatible with our own native species, because there might be competition for food or there might be, in fact, it could develop that the introduce species could be cannibalistic of our own and, in fact, wipe out our own species. So we have to be careful with that. We have to know the answers to questions about mineral content and solidity of waters, about average temperatures, about natural foods in the waters. On the praries they have a great abundance of fresh water shrimp, so there is no problem with feeding. But, if we had to support a fish farming industry, inland fish farming industry, with artifical feeding, I think, it would be completely uneconomic.

So we have to know what the food sources are, what the solidity and mineralogy



MR. CALLAHAN: of waters are, what the temperature situation is. There are a lot of questions to be answered before we can really launch into this thing and this is what the studies are for.

Now, we would hope to establish that there is good economic opportunities so there would be private investment. We do not intent to get into this on a public bases, for commerical purposes. But we have discussed with the consultants the matter of restocking of ponds and streams for sports and public purposes as well. They are looking at this aspect, because it is useful for them to do that in the course of their investigation. How it will come out we do not know, but, it has become a very, very large and labour intensive industry elsewhere. If we can do it here, Mr. Chairman, we should. The vote for which we are asking, under 03-13, is to enable the studies to be adequately carried out.

MR. SMALLWOOD: Before this vote carries I would like to add a word about fish farming because, in company with the Minister of Economic Development, who is not in his place at the moment, I visited some fish farms in Romania a few weeks ago. The Romania Ambassador to Canada has been in that office about six months.

MR. CROSBIE: Red fish!

MR. SMALLWOOD: He retired about six months ago from the Cabinet of Romania to accept the present office. Now when he was Minister in the Romania Government, for ten or twelve years, he was Minister of Food Industries, everything having to do with food and he is the one who introduced fish farming into Romania.

The Minister of Economic Development and I agreed that it was one of the most fascinating things we had ever seen in our lives. We could not understand and still do not understand why this could not be done here in Newfoundland. They are taking, I think it is \$50,000 an acre of fish out of these fish farms. \$50,000 per acre. There is incomparably less work in cultivating an acre of water than there is cultivating an acre of land. The acre of land that would yield \$50,000 would be quite an acre and it would be quite a crop

MR. SMALLWOOD: indeed. But crops of water are yielding that much.

They package the fish and ship it all over the world. I dare say you could go down in a supermarket in St. John's at this moment and find frozen trout, beautifully packaged in lithographed packages, grown and packaged in Romania, and if not in Romania, then in Denmark, and if not Denmark, perhaps Holland. But this fish farming thing has spread around the world. Because of course to feed the world, with 3 billion people now - 3,000 million people, it has come up, in my own conscious notice, from 2 billion to 3 billion. It has increased 1 billion, 1,000 million people. The task of feeding them is obviously a terrible one and it is going to become much more terrible. Well, if you can raise large bodies of fish in farms and actually farm fish, it is a tremendous thing to do.

The first one we visited in Romania had a stream running, oh, they had dug a ditch, a straight ditch, it was about four feet, five feet wide and it was about three feet deep. Just a square ditch, and the water had been diverted from a river to come along this ditch. Now the ditch was inland, it was a little higher, maybe three feet higher than the water in the ponds that were fed by this ditch. The water comes along the ditch and at right angles to the ditch are these ponds. The ponds are fifty, sixty feet wide and about 300 feet long. They are about eight or ten feet deep. They are gouged out with bulldozers. They are parallel and they are separated one from the other by about thirty feet of nice grassland, land that has been grassed over. So it looks attractive too. The water comes down and it flows into each of these ponds and drops about three feet in so doing and helps to aerate the water. At the foot of each pond there is an outlet of water. So the water is continually coming in and going out, but of course, where it goes out it is screened, so the fish cannot escape. They feed these fish almost as you would feed, in the old times, you would feed a barnyard full of hens. The farm wife would come up and throw grain or scratch and the hens will come running to get it. Well the fish come running to get it. It is amazing, when they throw the food into the water, to see the mad rush of fish and you discover that that pond is absolutely alive with fish. They grow

MR. SMALLWOOD: rapidly. They gain enormous weight very quickly and harvesting them of course is easy, you just dip down great dip nets, with dip nets at the end of a pole, you just dip out the fish. You just dip them out, and you process them.

The last two or three ponds down were for the breeders. You keep the breeders, you pick out the breeders and you put them in a pond to themselves. That pond down there is where they live and the eggs are removed from the fish and there is a building immediately beside all this where the eggs are put into a series of vats, with running water, running continually, running through and kept at the right temperature. These fingerlings come out tiny little things, not as big as your little finger, or anything like it. They are kept there to a certain age, then they are put in these ponds. That is all there is to it. It is as simple as falling off a log, enormously profitable. I do not think that as yet that it is going to be a simple matter just stocking ponds. I think it is going to have to be done in the way it is done in Europe. That you gouge out your own ponds. You attain complete man control over the whole operation. With that done, if it is practical to do that in Romania and in other countries of Europe, why would it not be practical to do it here? Because the market for that trout is staggering. The market is all around the world. I think, they get something like \$1.20 a pound.

While we are at it, Mr. Chairman, we discovered, to our absolute astonishment, in Romania that they are shipping by air from Romania, which remember is as far east as you can get in Europe, the next stop is the Soviet Union, from Romania by air they are shipping tomatoes to Montreal and Toronto. They are growing tomatoes in greenhouses in Romania and shipping them by air cargo to Montreal, millions of dollars worth, which makes you wonder, if they can do that in Romania, could they do it here by any chance? Might there be a way?

AN HON. MEMBER: Inaudible.

MR. SMALLWOOD: Might there be a way of our supplying Montreal and Toronto, rather than Romania, with the tomatoes and trout?

MR. CHAIRMAN: It now being 1:00 P.M. I do leave the Chair until 3:00 P.M.



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# **VERBATIM REPORT**

**TUESDAY, MAY 11, 1971**

**SPEAKER: THE HONOURABLE GEORGE W. CLARKE**

Mr. Crosbie.

It is almost like a gully. In one you will see them raising ducks, a tremendous number of ducks. In adjoining ponds they are raising fish, fish farming. I understand, Mr. Chairman that every two or three months they rotate the ducks from one pond on to the fish pond, and the fish from the fish pond on to the duck pond. One of the reasons for this is that the ducks and the fish each use as food the droppings of the other. I thought it was quite humorous too, but this apparently is a fact that they rotate the ducks and fish because they complement one another and provide food for one another.

So, Mr. Chairman, there are endless possibilities in all these enterprises. One of the main staples of good, of course, in Hong Kong, is duck and the other is fish. Here in Newfoundland we think that we are a fish country. We will never have a twelve-course fish dinner, as you can have it in Hong Kong. I am sure that the Premier has been to the floating restaurants in Aberdeen where you can have twelve courses..

MR. SMALLWOOD: The restaurant is not in Hong Kong. It is in Aberdeen.

MR. CROSBIE: That is what I just said, the floating restaurants of Aberdeen. I think that I have trod in the footsteps of the Premier in the floating fish restaurants of Aberdeen, where Mr. Chairman, you can go down and pick your own, fish out. They are all swimming around in the tank by the side of this great..

MR. SMALLWOOD: You can do it in Montreal. You can do it in New York.

MR. CROSBIE: Yes, but there is a much greater variety in Hong Kong.

MR. SMALLWOOD: More fun doing it in Hong Kong, in Aberdeen.

MR. CROSBIE: Yes there is a lot to do there. I was not travelling stag, however. There all the fish are swimming around. We had parrot fish, Your Honour. - parrot fish, which are coloured red, white and yellow. These fish were in the opposition in Hong Kong, they were pretty quickly in the pot. We could have the fish three ways: You could have fish soup, parrot fish, the head of the parrot fish, a great delicacy and, of course, the body of the parrot fish, fried up. So we have a lot to learn from the Orient. I am delighted. In fact, I am recommending - I do not believe the minister was to Hong Kong on the most recent visit of the Premier there last fall. I think it was the Minister of Economic Development and the Minister of



Mr. Crosbie.

Health. But the Minister of Mines, Agriculture and Resources might include a trip to Hong Kong on his itinerary for this year, if he can squeeze it in. He is doubtless going to Romania to check the fish farming there. He has already been out West. He might take in Hong Kong. If he wants somebody to guide him around and show him where the best fish and ducks are, if the hon. the Premier is not available, I might be prepared to go, if my expenses are covered.

But quite seriously, Mr. Chairman, I think that this has great possibilities. Perhaps our climate does not lend itself to it, I do not know. That is what the minister is having looked at now. This could very well be \$100,000 very well spent on developing a new industry for this Province. I think it is a promising sign. I am heartily in favour of it.

MR. MARSHALL: Mr. Chairman, on 812-01, before we carry this amount, there are a few comments that I would like to make, particularly about the observations made by the minister last night with respect to the forestry resources of this Province. I must say that I was disappointed that he did not deal in much greater depth with the report of the Royal Commission on Forestry. Hopefully, he will be going into it more when we come to discuss this particular heading. There are certain recommendations and certain vital recommendations that were made by this Commission with respect to policy and legislation to be adopted in the Province for the purpose of furthering the forest industry.

Now one of the things with respect to this commission that is not really in its favour is the fact that originally (This is the same thing that applies to the Brain Commission on Health as well) a position was taken and that position was: That it was recommended that the Government, in the Interim Report to the hon. the Premier, the commissioner recommended that the Government acquire all of the forest lands of the Province. Subsequently this recommendation was revised. I think the subsequent recommendation is the best one. There is no need or there would appear to be no need to acquire the lands in question in order to control or to exercise some

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degree of control, management and planning by the Government in the management of the forestry resources. It is to be remembered that the paper companies have put in an awful lot, certainly, into the pulp and paper industry of this Province. But their concession is the concession of having the exclusive right to cut timber. Our duty or the Government's duty is to see that the forestry resources that have been granted under licence, as well as the Crown Lands, are utilized to the greatest possible extent so that the greatest possible number of jobs can be obtained from them. There is nothing wrong - there is nothing wrong with Government bringing in policies to this effect.

Now the establishment of the Forest Development Corporation, I understand, is going to be used or is allegedly going to be used for the purpose of bringing such policies and such approaches into effect. However, I would hope that this Forest Development Corporation is not going to be used purely and simply for the purpose of sweeping under the table for another period of time certain problems via the Government, the paper companies and the forestry industry of this Province, which ought really to have been tackled a long, long time ago. I speak particularly of making arrangements with respect to the collection of a fire and insect protection tax that has been recommended by the Commission.

Now we have had, as everybody knows, we have had a great attack upon our forestry resources, by the hemlock looper and the woolly aphid that the Government have been wrestling with for a period of time. It certainly has done a credible job with respect to the control of this particular problem in our forestry resources. However, it is quite evident that the companies which are to gain most (I know this may be a hard time to look into it, because of the depression in the pulp and paper industry) with respect to our forestry resources are the ones that should lend a greater financial support, I believe, to the insect control and the forest-fire protection control of the Province. I would like to know, in view of the recommendations made by this Royal Commission, I would like to know particularly what Government propose to do with respect to this. There is also the factor of the building of forest

Mr. Marshall

access roads, which the Commission recommends and which has been spoken of time and time and time again by persons, individuals and groups who have examined the forestry policy of this Government. It is most necessary that the small sawmill industry or the sawmill industry itself be fortified by Government assistance. This can only be done through co-operation of the Government, the paper companies, particularly in view of the large concessions and leases that have been given to the paper companies themselves.

Then again, there are the problems of collection of stumpage. Generally speaking, generally speaking, the over-all control (authorize log marking for identification, as another recommendation) and direction of the forestry resources as such, from the point of view of conservation and from the point of view of enhancing and increasing the yield that can be obtained through our forest products, has to be undertaken by the Government itself. I believe it is or there is a different system definitely and a different approach than has been taken in the Province of Nova Scotia. But in this Province, I think the time has come to look to much closer control by the Government of the forestry resources, right to the point of telling the paper companies, even though they do have title to land, of bringing in regulations respecting the Government, directing as to where the cutting should take place and the type of yield that should be expected per acre or per hundred acre or whatever unit may be used in this particular area. But certainly, I should like to know, and I think that it is time for this Committee to be informed exactly what the position of the Government is with respect to this Royal Commission on Forestry. It has been said - I do not think anyone will agree that a lot of the recommendations of this Commission really constitute a regurgiation of observations that have been made time and time and time again, by other bodies such as the Royal Commission on Economic Prospects and other groups as well. But the point of the matter is that this Commission is really a culmination of observations showing a deficiency in the proper utilization of our forestry natural resources.

Mr. Marshall.

I should like, as I say, the minister now to address himself to this Commission and to tell us exactly what is planned? I would also like to know what funds are going to be available for this Forestry Development Corporation? It is most necessary, of course, that adequate and ample funds be provided in order for this to be a viable organ that is going to do any kind of job at all.

Generally speaking, as I say, I should like an assurance to the fact that this Forestry Development Corporation is not going to be used for the purpose of postponing any longer the direct action by Government in further assuring or ensuring that we have a more comprehensive yield, in that we are getting the most out of our forestry resources in this Province.

MR. CALLAHAN: Mr. Chairman, I should like to say very briefly what the position is. The position is that the Government accept the recommendations or the report and recommendations of the Royal Commission. Negotiations have been underway for some months with the various private owners or lessors of forest lands, in order to get the Commercial Forest Corporation, which is the proper name, established. I am not sure that it will require any great funding because it is designed to do pretty well what the hon. gentleman has suggested should be done; namely, to co-ordinate the commercial operation in order to get the best use out of the forests. So far as over-all direction and control are concerned, they will be vested not in the commercial corporation but in the Newfoundland Forest Service, as recommended by the Commission. On the matter of protection costs, protection taxation, we also have been negotiating on this matter to bring in all those who should properly contribute. Right now, only two paper companies and the Government are contributing. So we are working on that and I think we will have some results fairly soon. On access roads, I can only say that the access road programme over the years has been designed to open up the maximum forest areas for maximum participation and employment. I indicated to the House last year and I can pretty well repeat it again now that our access road programme, which is designed to enable small operators to operate, rebuild, completely the road, no cost to the small operator. We do snow clearing and maintenance on those same roads. This is the most important assistance they could have. Last year, I can tell the committee that there were some 3,000 men employed in small operations, which would not have occurred had these access roads not been built up

Mr. Callahan.

There is nothing I can quarrel with from what the hon. gentleman has said. We, to one degree or another, in each case, in fact, are proceeding along these lines.

MR. CALLAHAN: On the matter of stumpage, this is another ...

MR. CROSBIE: Go ahead..

MR. CALLAHAN: I was just going to say that this is another aspect of the consideration that is now going on. It is going to be difficult to charge stumpage, as stumpage, to those who are protected from such taxation, Mr. Chairman. We are not expropriating. We are not purchasing the forests that certain people own. We are inviting them voluntarily to vest the control of their lands in the commercial corporation which the Government will control. So far as Crown Lands are concerned, there will have to be some adjustment in order to provide for stumpage from Crown Lands. It is now collected, in fact, from anybody who uses Crown Lands. This is simply a mechanical or a practical thing that has to be ironed out. There is no problem with the philosophy or the Government's approach to it. We think that stumpage should be charged on Crown Lands but, where there is private ownership, I do not know how you do that.

MR. CROSBIE: Mr. Chairman, there were some problems that the minister might give us some answers to in connection with forestry. One of the disappointing things I thought, with the report, Mr. Chairman, of the Royal Commission on Forestry, the one that, whose report was tabled here about two months were: Its failure, as I remember it ( I have only had time to look it over once) to deal at all with the question of the wood resources of Labrador. I think the minister can confirm that those wood resources were not dealt with at all. That Royal Commission completely failed to discuss what must obviously be a very important question in connection with a possible mill at Come-by-Chance and that is, Mr. Chairman, the availability of wood on the Island of Newfoundland, whether there is sufficient wood on the Island of Newfoundland to keep in production another pulp and paper mill at Come-by-Chance. I do not believe that the Royal Commission on Forestry, which was chaired by Mr. Rosseau



Mr. Crosbie

and sat for three years, gave any opinion on that question at all, which to me is completely inexplicable.

Now, Mr. Chairman, there was a report done by Forestal Forestry and Engineering Limited, a subsidiary of the B.K. Sandwell Company of British Columbia, on the third mill at Come-by-Chance and on the question of whether or not there was sufficient wood on the Island of Newfoundland to supply the proposed third mill at Come-by-Chance. There was an interim report delivered, when I was still a member of the Cabinet in 1968. In answer to a question asked here, I believe the Premier said that there had never been a final report received, which is most peculiar. But that interim report stated that there was not sufficient wood on the Island of Newfoundland, of the proper age classification to supply wood, sufficient wood to the proposed mill at Come-by-Chance. From the year one of the start of operation of that mill at Come-by-Chance, the one proposed for Come-by-Chance, they would have to ship to that mill at Come-by-Chance wood from the Mainland of Labrador. I forget now what the amount of wood was. I think it was something like 100,000 cords a year - 100,000 cords a year would have to be brought from

MR. CROSBIE: Labrador to that mill here in Newfoundland. Well the question that arises from that, Mr. Chairman, is, obviously, can you economically bring wood, 100,000 cords a year, from Labrador to the mill site at Come-by-Chance and what is the extra expense going to be compared to wood cut on the Island of Newfoundland and delivered to the site?

Now do not forget, Mr. Chairman, that the Government have agreed with Newfoundland Pulp and Chemical, Limited that the Government will subsidize the difference in cost between bringing wood to Come-by-Chance from Labrador and bringing wood to Come-by-Chance from the Island of Newfoundland. That, if there is a difference of cost, surely there must be, (And there are various estimates of what it might be, \$5 or \$10 a cord) that the Government of Newfoundland are going to subsidize that difference, the people of Newfoundland are.

Last year, when I raised that question in the House, when the legislation was being introduced here to extend the agreement, to give Mr. Shaheen more time, to extend the time in which he is to get a plant operating at Come-by-Chance. I raised this question, the hon. the Premier said in the House, without anything to back it up at all, that it would be cheaper to get wood from Labrador and, transport it to Newfoundland, it would be cheaper than getting that wood on the Island of Newfoundland." Now, Mr. Chairman, that is something that can only be accepted if there is some proper proof of it. The Premier gave no proof at all of that. He intimated that this was the result of the work that John C. Doyle had been doing in the Melville/Goose Bay area.

So I think the minister should explain to the House or table in the House or tell the House what studies have been done and by whom, that wood can be delivered to site at Come-by-Chance from Labrador more cheaply than it can be gotten on the Island. Or if there has been no studies done on it, when are there going to be some studies done on it? Because, if that is not the case and if the mill goes ahead at Come-by-Chance, it is going to involve the people of this Province in a heavy additional yearly expense.

The answer tabled by the Premier, to a question here earlier in this session, is that the new estimate of the cost of transporting wood from Labrador,

MR. CROSBIE: from the Melville area to Stephenville, is \$5.50 per cord.

The Premier intimated that Mr. Doyle has entered into some kind of an agreement with ship owners that they will carry logs from the Goose Bay area to Stephenville at a cost to him of \$5.50 per cord. Well that is a considerably high cost, Mr. Chairman, than was outlined in the original feasibility study on the Doyle mill. The study, done by E. and B. Cowan, showed a cost of \$3.30 per cunit to transport wood chips from the Goose Bay/ Melville area to Stephenville. I think a cunit is a larger measurement than a cord. One and one-sixth of a cord, roughly, is it not?

MR. CALLAHAN: One and one-third.

MR. CROSBIE: One and one-third. So that a price of \$5.50 per cord is approaching nearly double the price of \$3.30 per cunit. That has not been explained satisfactory to the House. After all, if there is to be half a million cords of wood a year that have to be delivered from Melville to Stephenville to keep the fourth mill operating—

MR. CALLAHAN: I thought we were on Forestry.

MR. CROSBIE: We are on Forestry.

MR. CALLAHAN: Page 31, beginning with (1).

MR. CROSBIE: to keep the fourth mill operating at Stephenville. There are 500,000 cords a year and the price increases \$2.00 a cord, that is an extra \$1 million in operating costs. That certainly, has an effect on its feasibility. This is the time for us to get some accurate information from the minister on these costs of transportation, on the cost of cutting wood in Labrador, as they affect both the mill at Stephenville and the one at Come-by-Chance.

MR. SMALLWOOD: Mr. Chairman, it is no more relevant to discuss the cost of the wood for the mill at Stephenville under this heading than it is to discuss the cost of wood at Corner Brook, the cost of wood in the mill at Grand Falls or the proposed mill at Come-by-Chance. It is the economics of paper mills, is it? This heading?

MR. CROSBIE: On that point of order, Mr. Chairman, we are discussing the forests of Newfoundland, the forestry policy for Labrador, how those forests can be developed. There is nothing more central than the question of transport

MR. CALLAHAN: Why is it that every time anyone is on an important point the hon. the Premier has to be up saying it is not relevant. Now I will continue.

MR. CHAIRMAN: All I can say is that the rule is, according Beauchesne, that under the heading of General Administration in the Estimates, general remarks may be made. Under the other headings, remarks must be strictly relevant to the item being discussed, and the word is 'strictly' relevant. I think going into the economics of transportation of pulp wood, which is really outside the preview altogether, I suppose, of Government, that the member is out of order on that point.

MR. CROSBIE: Mr. Chairman, this department comprises Forestry, Mining, Wildlife and so on. So rather than discussing all these matters on the first item in the estimates, the minister's office, salaries, we agreed that it would be a lot clearer if we discussed these various things under their own headings. Now I am just addressing myself to Forestry - we started Forests, Salaries.

MR. CHAIRMAN: The Chair has no objection to a discussion on Forestry, but, I do think that to get into the talk of transporting pulp wood is really not a matter for these estimates at all.

MR. CROSBIE: Mr. Chairman, with all due deference, we are discussing the forest and how they are going to be utilized. Now how can we discuss the forests of Labrador without discussing the problems of using the wood in Labrador? I am discussing now the woods, our forest resource in Labrador, and how it can be utilized. One of the problems in that connection is the cost of transportation. Because the wood apparently cannot be manufactured up at Labrador itself, because of the climatic conditions or whatever it is, it has got to be transported in its raw form out to the Island of Newfoundland. How are we going to develop these forests, if the transportation costs are as I believe they are?

MR. CHAIRMAN: The hon. member apparently or seems feel that there must be an opportunity given to discuss these matters. That may or may not be

MR. CHAIRMAN: the case. But at the present time the duty of this committee is to consider these particular estimates. This does not give the occasion for a wide-ranging debate on the application of our forest and all of this kind of matter.

MR. CROSBIE: Mr. Chairman, we just had a wide-ranging debate, discussing the Department of Education, as to the first item on educational policy. The one I am discussing now is forest policy, under the heading Forest, Salaries. But, if the Chairman does not want to, I can wait until we get down to Forest Conservation and Development or Forest Inventory. It makes no difference to me. So I want to stick to forest policy. If the Chairman does not want that I will bring it up again down further.

The Report of the Royal Commission on Forestry, the minister discussed that. The member for St. John's East has discussed it. I am surprised that that report did not discuss the problem in developing our forests up in Labrador. This should also be the time, Mr. Chairman, that the minister should explain to the House what he meant when he replied to Question No. 24. The minister said that, during 1970, 75,343 cords of wood had been cut at Lake Melville by Javelin Forest Products Limited. And that the amount assessed that is assessed, one would assume, to be paid the Government, was \$42,156 of which Javelin Forest Products, Limited had paid the Government \$1,892.

The minister went on to say that there was a difference of opinion, between the Government of Newfoundland and the Government of Canada, over who should receive the amount as assessed \$42,156.00. Now, Mr. Chairman, that requires some explanation. I cannot see how the Government of Canada has any claim at all to stumpage or any charge in connection with the woods of Labrador. Surely these woods in Labrador are owned by the Government of Newfoundland. If there is any money to be paid by Javelin, in connection with the use of those woods, it has to be paid to our Government. So the minister should explain what he meant by that. And also the discrepancy in the figures.

In Question No. 480, answered by the hon. the Premier, it was said that in answer to a question; how much wood had been cut up in Melville since January 1, 1969 - what volume had been cut and shipped in the form of logs



MR. CROSSIE: or pulp wood? The answer was 21,078 cords. That is for the two year period from January 1, 1969. Now there appears to be a discrepancy between the answer to Question No. 24 and the answer to Question No. 480, except there maybe a difference of 54,000 cords not shipped. Could the minister explain that when he replies?

One question says that 75,000 cords cut during 1970 and in another question says in two years 21,000 shipped. Could the minister clarify that? And also this point about the Royalties?

Mr. Chairman, there is also a question the minister should explain, the Newfoundland Forest Products, Limited, as the minister knows, have established a sawmill, a new modern up-to-date sawmill at Hawkes Bay and they have established one in the Stephenville area. As far as one can judge from the press, Mr. Chairman, during the last past year, both of those mills have not been operating, or at least operating for only a very small part of the time. I wonder, could the minister tell the House what the problem seems to be? Both those mills, Mr. Chairman, which consume our wood, our forest, have entered into agreements with the Government, whereby the Government is subsidizing the cost of electric power for the two mills. The Minister of Economic Development knows that he has listed them as among the seven who are getting subsidized power. The taxpayer is paying the difference in cost between some figure which has not been revealed and what it costs the Power Commission to deliver it. Since both of those mills are suppose to be the latest types and modernized and automated and the rest of it, and large enough to be efficient and are suggested to be the answer to the sawmill problem in Newfoundland, could the minister tell us what appears to have been the problem to date? Why have they been only working part of the time since they were established? And what are there prospects now?

A further point, Mr. Chairman, is this, the Premier stated publicly yesterday or the day before, there was a suggestion made that the Government should subsidize Bowaters Pulp and Paper, Limited, in connection with their operations. As the House knows, Bowaters are now cutting back. They are having three week lay down time in June. They are going to lay off a hundred men. They seem to be cutting back their operations. It was suggested that the Government might

MR. CROSBIE: subsidize and help them out or subsidize their operation so that there would not be this close down and this layoff. The hon. the Premier said that the Government could hardly be expected to go subsidizing great, big companies like Bowaters in situations like this. Well, I do not think, Mr. Chairman, that is much of an answer. Why should the Government be subsidizing Mr. John Shaheen? Why should the Government be subsidizing Mr. John C. Doyle? In what way have they had better claim to be subsidized than Bowaters Pulp or Paper Mill or Price? If the operations of their mills in Newfoundland are becoming uneconomic, surely the Government are not just going to stand by and say, well these are big, rich, international companies and we are not going to subsidize the operations of those companies. Let them close their mills if they think they are uneconomic. Surely that is not the position of the Government. That is nonsensical.

Supposing the Javelin Mill at Stephenville, Mr. Chairman, requires subsidization or it will not operate, suppose we have to subsidize, and we certainly backed it with our credit now, that we had to give it a yearly subsidy or it will not operate at all, will the Government hesitate for one second to do that? Of course not. Of course not. The Government are subsidizing ERCO. Here is the ERCO Plant, a great International Company, Albright and Wilson owns the Electric Reduction Company Plant down at Come-by-Chance and they have been taken over now by an even bigger American Company. The Government does not hesitate to subsidize to the tune of \$3,145,000, in 1970, power delivered to ERCO. But when Bowaters gets into some difficulty and someone suggests that perhaps Bowaters is going to need a subsidy to continue operating at full force, the Premier makes an announcement and laughs and says these are big, wealthy, international companies, we are not going to subsidize them. That is inconsistency. That is foolishness. Why not? If we can subsidize Albright and Wilson, we can subsidize Bowaters. If we can subsidize John Shaheen, we can subsidize Bowaters. We have agreed to subsidize John Shaheen on the cost of the wood between Labrador and Newfoundland and in many other ways. If we can subsidize these people we can subsidize Price if we have to and Bowaters if we have to. If it turns out that we have to.

MR. CROSBIE: Why should Bowaters be looked at and scorned or any position taken, the Government are not going to, no Government could permit the Bowaters plant to close. Nor could it permit the Price plant to close. What is the point in trying to attract, to build a third mill at Come-by-Chance or a fourth mill at Stephenville, if we are going to allow one of the present mills to close down or even slack off in its employment? One hundred and forty-five men, laid off at Bowaters, is a third of the men that are going to be employed in the \$200 million project at Come-by-Chance, when it is all clued up. We have not only got to establish new industries in this Province, Mr. Chairman, we have got to try and keep the ones we have got. If that requires some kind of Government assistance, if it comes to that, I would not hesitate for one. Why not? If we are going to subsidize new people to come in, why should we not subsidize the ones we have got here, to stay and operate. That is one of the silliest statements I ever heard the Premier make. I assume that he will correct it the first opportunity.

The implication of it was that the Newfoundland Government would do nothing, if it costs the Newfoundland Government money; subsidization to keep Bowaters going.

MR. CALLAHAN: It is not a question of subsidy.

MR. CROSBIE: If it is a question, if it comes to a question,

MR. CALLAHAN: A subsidy would not do them any good.

MR. CROSBIE: Well, if it would not do them any good, that is different.

MR. CALLAHAN: If the hon. gentleman would allow me,

MR. CROSBIE: No, no. the hon. gentleman can answer in a minute. I am just about through my remarks. Now it maybe

MR. CROSBIE:

that Bowaters, not maybe, I am sure Bowaters have not asked for it. What I am saying is silly is the Premier's response to a suggestion that Mr. Connors made, the NDP Leader, to say; no we would not subsidize Bowaters because it is Bowaters, a big, large, powerful, international company when we are trying to get companies from all over the world. American Metal Climax, a gigantic company that the Government tried to get to come to Newfoundland to establish an aluminium factory, because we are going to subsidize cheap power, and ERCO and all the rest and the Come by Chance Oil Refinery and the Third Mill and Fourth Mill, all being subsidized by the tax payers of Newfoundland. To say that we would not do it for Bowaters, if it was requested, is just ridiculous, and I hope the Premier will correct that.

Now, Mr. Speaker, since you do not think it is relevant to be too broad on this, I will wait until further down before discussing some other points.

MR. SMALLWOOD: Mr. Chairman, the hon. gentleman does not see why we would not subsidize Bowaters and subsidize Price. He might have gone on and asked why we would not subsidize the Iron Ore Company of Canada and subsidize Wabush Mines and subsidize Churchill Falls Power Corporation and all this in comment on what I said over the radio in reply to Mr. Connors. I said I did not think that the Treasury of Newfoundland or the people of Newfoundland could afford the cost of subsidizing Bowaters and Price and other great corporations. If we are subsidizing ERCO at Long Harbour that is a very good reason why we cannot afford to subsidize others. There is a very definite limit to the amount of subsidy that the Newfoundland people, out of their earnings, can subsidize rich companies. There is a very distinct limit to it, it is palpable, it is obvious, it is foolish to say it. It is a waste of breath to say it. It does not need to be said, it is so obvious. It is like saying it is a lovely day out. Of course, it is a lovely day. You do not need to say, just look and see it.

MR. SMALLWOOD:

It is the other way about. It is Bowaters who should be subsidizing the people of Newfoundland, is it not? Bowaters are using the Newfoundland people's timber, are they not, the Newfoundland people's forests? These forests belong to the Newfoundland people and Bowaters are using those forests to make money for themselves. We were very glad in Newfoundland that they came into Newfoundland, they and their predecessors. There were two other companies before them. There was the International Power and Paper Company, who preceded Bowaters, and there was the Newfoundland Power and Paper Company, who preceded International Power and Paper Company. Three separate companies have come in to Corner Brook to produce paper in the hope of making a profit for themselves and they hoped to do that by using our Newfoundland people's timber resources and the Newfoundland Government and this House indeed gave them the right to do that. It was by virtue of Legislation of this House that those companies came in to make money for themselves.

Now why did our House give them that right? Just so that they might make money for themselves? Certainly not. It was so that they would help the Newfoundland people, by enriching and strengthening the Newfoundland economy and not by draining on the economy but by contributing to the economy, not by drawing from it but by contributing to it. Now if we have to donate money to Bowaters, we would be draining our economy to help that private corporation. It is too silly for words and it is no answer to say you are doing it by selling power to ERCO below cost. We are selling power below cost to ERCO, not of our own choice. It has since turned out that way, and that is a horse of another colour. That is, as Kipling would say; "That is another story."

But we never decided to subsidize the price of power for ERCO consciously, knowing that it was going to cost us money, not for a moment, even though they were the first big outfit to come in to avail themselves of our policy of providing cheap power. Even then, to entice them in, we did



MR. SMALLWOOD:

not think for a moment that we were going to lose money on it. It has turned out that we lose money on it but it was not our intention to do so. The fact that we are doing so is no reason, no reason at all, why we should now start lading money out to Bowaters. I think this is about the silliest idea I have heard in a long time, the idea that the Newfoundland Government should take money from the Newfoundland people and hand it over to Bowaters, instead of the exact contrary. It is the very contrary we should be doing. We should be getting Bowaters to hand money over to the Newfoundland people, should we not and Price, should we not and the Iron Ore Company of Canada, should we not? Should we not be getting money from the Iron Ore Company and from Wabush Mines and from the Asbestos Company at Baie Verte and from the other mining companies and the other companies that are using our natural wealth to make money for themselves? Should not those companies that we have given the right to do that contribute to our economy? - Should they come in and our economy have to finance them, I mean the poor people of Newfoundland with the lowest standard of living in Canada that those people should be expected to subsidize great wealthy corporations knowingly, deliberately and knowingly do it?

Now I can imagine, without any difficulty I can imagine the situation arising as follows: that Bowaters are going to close and close forever, let us assume that situation. That is not going to happen but let us assume it. I can imagine that situation where we would have a choice. They are going to close completely forever and the several thousand men who make their living in the woods for Bowaters and the eight or nine hundred men, seven or eight hundred men who are making their living in and around the mill at Bowaters and the three others, forever gone, who are making their living, the multiplier jobs, if they were all to lose their jobs or alternatively the Newfoundland Government would start paying a cash subsidy to Bowaters and the cash subsidy would prevent their closing, Right! In that case I can imagine a cost-benefit study being made. What would a subsidy to Bowaters amount to, the amount

MR. SMALLWOOD:

necessary to keep them going? What would that amount to? How much would it be? As a drain on our Treasury, every year, cheques written four times a year, sent to Bowaters by the Minister of Finance, what would that drain the Treasury of each year and therefore the economy of Newfoundland? What would be drained, how much would be the drain on the Treasury?

Then the same cost-benefit study would show what benefit would be generated back into the Treasury. So you would have two situations, a drain on the Treasury and a gain to the Treasury. This is the cost and the benefit, the benefit and the cost of getting the benefit. The benefit, you would have to know what the benefit was. The benefit would be so many thousand jobs, so many wages, so much coming back into the Treasury as a result of that. This is all ascertainable. There is your gain into the Treasury. There is the drain on the Treasury and if the drain is not as great as the gain, if the Treasury gains from it, then it would be obviously the thing to do. Now I can imagine that applying to every industry in the Province. I can imagine that test being made for Churchill Falls Power Corporation, in fact it has been made. I can imagine it is being made for the Iron Ore Companies and the other mining companies and the paper mill at Stephenville and the proposed paper mill at Come by Chance. I can imagine a cost-benefit study being made and a determination being made that it pays to subsidize; that you do not lose money, you gain money; that you gain more than you give, you get more than you give, the Treasury benefits, there is a net favourable balance. I can well imagine that.

But, Sir, in spite of that, with a corporation that is here unless it is faced with eminent permanent close-down, merely because it is closing down for three weeks or even six weeks, out of fifty-two weeks, to suggest that the Treasury of this Province should start lashing money out to Bowaters is I think a silly, clod idea. It is too stupid, it is too silly, it is too illogical, it is too foolish for words unless, as I have said, the moment came when they

MR. SMALLWOOD:

were going to close permanently. Then you would be justified in making your cost-benefit study and say; if they close, the loss is this much, if we give a subsidy, the loss on the Treasury is this much but the gain is this much and there is a net gain, there is a net favourable balance for the Province. I can imagine that happening. There is no need of that now and, when Mr. Connors said what he said, I think he said a bit of monumental foolishness, just monumental foolishness and my answer was that I did not think that the people nor the Treasury of Newfoundland were rich enough to subsidize Bowaters but I might have given a shorter answer, that I do not think they need it, in fact I did add; I do not think they want it and I might have cut it all short by saying, in comment on Mr. Connors, "I do not think Bowaters want it or need it." Now that would have been enough.

Now finally, let me say this that I do not think for one moment that the Province of Newfoundland, the Treasury of this Province are going to be under any necessity to subsidize the cost of pulp wood going into the paper mill at Come by Chance, not for a moment. I do not think it for a single moment. I do not think we will have to pay one single nickle, not a nickle toward the cost of pulp wood that will go into the mill at Come by Chance, whether that wood comes from the island or from Labrador, I do not think the Treasury will have to pay a single nickle. I do not think that the Treasury will have to subsidize that mill in any shape or form, for power, for labour, for material nor for anything else. What we will do is give a guarantee on a second mortgage, that is what we will do and that will cost us nothing. On the other hand where we will not be paying any money out of the Treasury, we will be taking a pretty substantial amount into the Treasury; The same thing will apply in Stephenville as it has applied all down through the years at Grand Falls and Corner Brook. because, remember this, although Corner Brook, the original paper company was exempted until 1976, I believe, from taxation, corporation income tax or any other kind of tax, when the mill was started in

MR. SMALLWOOD:

1923, when the Legislation passed this House, they were exempted by law from the payment of taxes which other companies would pay and they were given that exemption until the year 1976. Although that exemption has prevailed, there is no question in this wide world, there cannot be any question that every year since they began construction, finished the construction and then began production, every year, from that moment to this moment, the Treasury of this country, later the Province, has benefited greatly from that enterprise at Corner Brook.

We are gaining very much money though it may not come to us in direct taxes from the company itself. The company may pay the Newfoundland Government nothing or virtually nothing but at the same time their employees pay personal income tax.

MR. SMALLWOOD: They have a very high standard, they live well, they have a high standard. It is one of the most beautiful cities in North America, Corner Brook, and the Newfoundland Government takes in enormous sums of money each year, the Treasury of this Province, though the company, as a company, pays us little or nothing. So that the Government are benefiting enormously from the operation of that mill and it is a crying shame that the pulp and paper industry, right across Canada, I was going to say coast to coast but that would not be correct. In Western Canada today the paper mills, shipping their products down into the U.S., are getting eight dollars a ton more returns than the paper mills in Eastern Canada and in between Eastern Canada and Western Canada, in Ontario that is to say, the paper mills are getting two dollars a ton more in the United States than the mills in the East are getting. There is a certain price that the Eastern paper mills are getting. Those in Ontario are getting two dollars more, those West of Ontario are getting eight dollars more than East and six dollars more than Central Canada because of the variation in the market. The Eastern mills are shipping to the Eastern part of the

MR. SMALLWOOD:

United States, the middle Canadian mills are shipping to another market and the Western mills in Canada are shipping to a richer market and getting a higher price in the United States.

I had a visit yesterday from Mr. Ross Moore, the head of Anglo Canadian and Price, who gave me a thorough briefing which followed on the heels of a briefing I had gotten a week or two before that from Mr. Hugh Joyce, who was down here from New York, together with Mr. Ben Pride, the general manager at Corner Brook. So I have had briefings now from the two companies and I have had briefings from other sources about which I do not want to speak. I know that the pulp and paper industry all across Canada is at this moment in a parlous condition and, Mr. Chairman, do not be surprised if you hear of the insolvency of a large pulp and paper mill company in Canada, not in Newfoundland, in Canada but not in this part of Canada. The pulp and paper industry is in a bad way just now, for the third time since I was Premier, Do not blame me because before I was Premier they were also in hard times. But they have been in hard times three times. This is third time that I remember, since I took office, when the pulp and paper industry was in a bad condition.

They will recover, They will recover and they will boom again, They will boom again and I believe they will boom just about the time that the paper mill in Come by Chance comes into production and soon after the paper mill comes into production at Stephenville. But, in the meantime, the paper mills that are here now are having a rough time and you have certain close downs but, God in Heaven! Does that mean that this Treasury, that I should or the Minister of Finance should ask this House to vote money to Bowaters because they are closing down for three weeks or even six weeks? That is what I say is a silly clod of an idea, that is not high statesmanship, whatever else it is.

MR. CROSBIE: Mr. Chairman, that is not quite the point, That is not quite the point, that the Government should vote money for this three week shut-down



MR. CROSBIE:

in the Bowaters Mill. What is the point is the difference in attitude, that chameleon attitude of the Premier towards any industry that is already established in Newfoundland as compared to one that he can attempt to attract into Newfoundland. One of the weaknesses in the Premier's policy has always been, "Forget what you have here in the Province of Newfoundland, try and attract,"

MR. SMALLWOOD: Nonsense.

MR. CROSBIE: It is not nonsense. "Try and attract something else in it." We had it in the breweries. We had three breweries here in Newfoundland and he did not give a fig what happened to them, get a fourth one in and we know what happened to it. We have two pulp and paper companies here in Newfoundland, Price and Bowaters, but when somebody suggests that Price or Bowaters, to be tided over a bad period or to be helped out if they are losing money, should be subsidized by the Government, what do we hear? "I did not think the Treasury could afford the cost of subsidizing Bowaters and Price." Why not? The Treasury subsidizes everybody else in the world. Why should it subsidize John Shaheen? Why should the Treasury be asked to subsidize John Doyle? Then the Premier says these are rich companies. He says Bowaters are using the forest in Newfoundland to enrich themselves. What is John C. Doyle going to do with the forest of Labrador? Is he going to use them just for charitable donations? Yes, what tripe. Bowaters, you mention helping Bowaters or Price, and they are using Newfoundland's forest to enrich themselves. You talk about John C. Doyle and Shaheen, if he ever comes with the third mill, they are not using the forest to enrich themselves, No? They are using them for one purpose, (1) for charity and number (2) to give employment to Newfoundlanders.

All those two gentleman want or are interested in in life, Doyle and Shaheen, is to provide employment for Newfoundlanders. That is what the Premier lets us believe.

May 11th, 1971

Tape 600(Afternoon)

JM - 9

MR. SMALLWOOD: The hon. gentleman is sinking lower every day.

MR. CROSBIE: The hon. Premier is getting more foolish every day in the arguments he uses. That they are hoping to make a profit by using our forest, yes, and we are hoping they will make a profit and we have to hope that

MR. CROSBIE: That Doyle will make one, and Shaheen if he ever gets a mill here will make one. The whole reason why the Government is offering to help Shaheen, Doyle and American Metal, Climax, and ERCO, and all the rest of the long list is because the Government wants to provide employment for Newfoundlanders. Bowaters and Price happen to be here employing Newfoundlanders. When they appear to be in some kind of financial difficulty, when they have losses, the Premier reports Bowaters having a \$2 million loss last year, and some suggest the possibility of subsidizing Bowaters, if necessary.

We are not saying to hop out now and subsidize them for that three week period. The point is that the Government should give the assurance to the people of Corner Brook and to the people of Grand Falls and surrounding areas that, if it ever gets to the point with Bowaters or Price that they may have to shut down for any period longer than a few weeks at the most, the Government is prepared and will give whatever subsidies are necessary to keep them operating. That is the assurance that is needed.

Here is a Government, you could not believe your ears, Mr. Chairman, you listen to the Premier today talking about Bowaters and Price and the arguments he advanced that they cannot be a drain on the economy. Then you have been in the House in the last five years and listened to him talking about Shaheen, Doyle, Come by Chance. Not a word there about the drain they are on our economy. Not a word about ERCO and that bottomless drain ERCO is on the economy for the 350 jobs down there. The Premier even tries to pretend that the Government did not know that it was going to lose money on that deal when it went into it. The Government would listen to no one. The Premier would listen to nobody when he went into it. Now he has the gall to suggest the Government did not know it was going to lose money. It is losing three and a-quarter million dollars a year there at ERCO to employ 350 people.

Every year for twenty years we will lost that or more, yet, when Mr. Connors or somebody else suggests it might be necessary to

MR. CROSBIE:

subsidize Bowaters: What? that big, healthy, wealthy company. They are here making money out of our forests. In other words, take up the guns and drive them out. They are not here to employ Newfoundlanders, it is only Shaheen and Doyle who are here to do that. That is why we are ladling and actually the Premier used the expression, "We are not going to ladle out money to Bowaters." No, just ladle it out to those great world citizens, John Shaheen and John C. Doyle. Do not ladle it out to the other reputable companies.

MR. SMALLWOOD: Lower and lower and lower every day. He is getting pretty low now.

MR. CROSBIE: Ladle it out to the promoters, ladle it out to the ones that need it that do not have it. Do not offer to help those that already have something, who put something in here. Then he mentioned the Asbestos Company at Baie Verte. He was going to start taxing them. This Government has been in power twenty-two years and yet it is only this year, in the last week or two, we hear talk of taxing the mining companies and we hear talk now of taxing the two pulp and paper companies.

MR. SMALLWOOD: Do not be stupid.

MR. CROSBIE: The measley taxes you collect from, do not make us laugh. We see it here in the estimates. Out of the \$500. million production of minerals a year, the Government is collecting \$3. million.

MR. CALLAHAN: What was the figure again?

MR. CROSBIE: \$500. million you gave the other day.

MR. CALLAHAN: Where did you see that?

MR. CROSBIE: Well, misquoted, \$350. million. Out of the \$350. million production, the Minister is getting less than one per-cent in revenue. \$3,223,000. last year mining taxes. Well, well, we have heard it all today. Look if we had mentioned John Shaheen today and said, "Give that gentleman a subsidy and get his mill going at Come by Chance," the Premier would have been up,

MR. CROSBIE:

Mr. Chairman. He would have been ecstatic; The sensible, rational, reasonable arguments of the hon. member for St. John's West, he can come back any time, "Yes, we want to subsidize Mr. Shaheen. He is going to give employment to Newfoundlanders, he is going to give it to Eskimos," But the hon. member suggests that perhaps it might be necessary to subsidize Bowaters; foolish, loony, out-of-hand, skulduggery, lower than low, lower than the lowest.

This is an interesting example of the Premier's techniques. To divert attention from the issue we are discussing the Premier lets drop that he has had talks with three or four great experts on plup and paper in the last few days and, low and behold, a pulp and paper firm may be going insolvent. To take our minds of it, the Premier suggests that some North American pulp and paper mill is going to go insolvent. What does that have to do with the discussion? We are worried about Bowaters and Price that are in this Province not some other, and the Premier says the pulp and paper industry is in trouble now. But when is it going to come out of trouble? You guessed it. When John Shaheen gets his third mill going in Come by Chance, the problems of the pulp and paper industry are solved. How? Why?

MR. SMALLWOOD: Pretty low, pretty low.

MR. CROSBIE: Yes, as low as they go.

MR. SMALLWOOD: Pretty low.

MR. CROSBIE: Very low, extremely low, could not get lower. Just give us some facts instead of fancies. How is the construction of Mr. Shaheen's mill going to solve all the problems of the pulp and paper industry? It is going to compete with the two that we have here and it is going to be subsidized up to the hilt. The Premier in answer to the question -

MR. SMALLWOOD: Pretty low.

MR. CROSBIE: Oh, very low, pretty low. Now, Mr. Chairman, in answer to the question I asked about transportation costs of wood from Labrador to Newfoundland, do we get an answer, a factual answer? We have a report, so and



MR. CROSBIE:

so has done a report, these are the facts. No. What does the Premier say? He does not think the Province will have to subsidize the wood going to Come by Chance. Now that is pretty safe because in a couple of years time, if I say that the wood is being subsidized, assume the wood is there, assume the Government is paying a million or two million a year, in four years time and I am in this House and I say, "I forecasted that this wood would have to be subsidized, the Premier said it would not have to be," and he would be jumping up saying; "I never said that, I never said that. I said that I do not think that, I did not think, that I do not think. I never said that it would not, that it could not, that it never will. I said I do not think, I did not think."

And that is exactly what the Premier said, "He does not think." The Premier does not think the Province will have to subsidize the wood, without a fact before the House, without the Forestall report before the House, without any study before the House. Who cares what the Premier thinks? We do not care what he thinks. We want the facts about the matter. What does the Premier base his thinking on, a telephone conversation with Mr. Doyle or Mr. Shaheen? What the Premier thinks or does not think does not matter except to himself.

What this House would like to have is facts. Where is the study done by a reputable firm that shows the Province will not have to subsidize Labrador wood going to the third mill? So the pulp and paper industry is in trouble now and will be until Mr. Shaheen gets established, with the help of the subsidies of the people of Newfoundland. The Premier asks, what would the drain on the Treasury be each year? The Premier knows the answer to that. The Premier has cost-benefit studies that show that everything that he has agreed to do, except ERCO, has not been a drain on the Newfoundland Treasury. He admits finally that ERCO is. Where are the seven agreements, the seven subsidy agreements that the law dictates should be tabled in this House, the ERCO agreement, Newfoundland Forest Products and the other seven? Why are they not tabled in the House?

MR. CALLAHAN: Is this strictly relevant, Mr. Chairman?

MR. CROSBIE: No, nothing is relevant to you crowd, nothing that you do not want discussed is relevant to the hon. Minister. So I say this, Mr. Chairman, that this is a perfect example of the mote in the Premier's eye towards anything that is already going on in Newfoundland. He has demonstrated it again and again. Local industry, something that is already here, that is not sensational. It is much more sensational to get up and announce; I brought a new industry, that I have created eight hundred jobs, I have created one thousand jobs. It is not as dramatic to get up and say I have saved five or six hundred, no.

So here are our own two pulp and paper mills and they appear to be in trouble. Do they have a warm and sympathetic Government to listen to them? Not at all. They have a Government that says that Bowaters are using the forests of Newfoundland to enrich themselves, as though that is an inditement, that they hope to make a profit by using our forests. Not a word about the employment Bowaters gives in Newfoundland, not a word, nor the employment Price gives. Not a word about Shaheen and Doyle. Now I ask the House, who is the greatest drain on our economy or the twin drains on our economy that we have had in the last twenty-two years? Is it Bowaters and Price or is it John Shaheen and John C. Doyle? Who is draining the most out of the Treasury, or is it ERCO? ERCO is the biggest drain-hole so far.

So, Mr. Chairman, no one is suggesting that the Government should immediately subsidize Bowaters right now because it has a three week layoff. But what we are suggesting, I think, on this side of House, is that if it is anything more serious than that the Government give assurances to the people of Newfoundland that those mills will not be allowed to close, that they come first and if necessary our resources would go to help them stay here. Rather than be diverted to getting another one, that we want to preserve what we have in addition to getting more and that our first concern is to keep operating the two we have and the one that is at Stéphenville now and that they come and have priority over others.

MR. CALLAHAN: Mr. Chairman, of course the Government are not concerned about Bowaters and not concerned about Price. That, Mr. Chairman, is why a Bill was brought to this House two years ago which forgave Price, for example, social security assessment tax on the installation of a \$25. million machine which, if it had not been installed, would have meant the closure, I am quite sure of that mill. But, Mr. Chairman, there is an interesting and an instructive aspect to this and it is that, because of the closure of the old machines and the installation of the new ones, with the SSA exemption, there were, I think, something in the order of 200 to 250 jobs that became redundant because of automation. This is the point, Mr. Chairman, The problem at Corner Brook and the problem at Grand Falls is not a problem that can be solved with subsidies, it is a problem of newsprint markets that are glutted and that are soft because of the reduced demand, principally in the American newsprint market, the newsprint products. That, Sir, is not something that is going to be solved by a subsidy.

How does a subsidy solve the problem of a mill that is over producing and that has its sheds full and that cannot sell the paper? Does the subsidy go, Mr. Chairman, to build a second shed to put the paper in? Is that the answer and how long does that go on? Now this is the problem, this is the real problem and there are a number of factors that contribute to it. They include the fact of the adjustment in Canadian monetary policy in the last year. They include the fact of high wood cost which we are trying to overcome through a number of mechanisms that have been referred to here today, because that affects the competitive position. But basically, Mr. Chairman, it is a fact that in the newsprint industry today there is an over-supply situation and that has been the case for seventy per-cent of the time in the last forty years in Canada, except for two or three years during the second world war. So it is nothing new.

Now if the subsidy were given because the real - as I understood what Mr. Connors said and it sounded highly plausible at first blush, but it

MR. CALLAHAN:

was not thought through and you have to think it through. What would a subsidy mean? Would it mean, Mr. Chairman, that men, unfortunately, quite unfortunately, are to be laid off? Would it mean that these men would be kept on and paid salaries to do nothing or would it mean that the mill would continue operating at full time to turn out paper that it could not sell? This is the situation, Mr. Chairman, and that is not something that can be helped by subsidy. The only thing that can be helped by subsidies is the companies balance sheet, and that does nothing for the productivity, for the operator nor for the employment of people at the mill in Corner Brook nor the mill in Grand Falls nor any other mill.

So I think we need to get this thing in a little perspective. It is all very fine to talk of subsidies but subsidies in this case, I fear, are not going to do any good. What is going to do good and what has to happen is that there has to be an upturn in the demand in the American market.

I think too, generally throughout the industry, there is going to be need, and I look forward to what appears to be the strong possibility that there will be relief on a national scale on the part of the Government of Canada, because I think everybody realizes and recognizes that the the adjustment in monetary policy some months ago has led to problems with Canadian Exports, one of the chief of the exports being in trouble being the newsprint industry.

So there is the real position, Mr. Chairman. Subsidies really are not relevant to the problems that now faces the mill at Corner Brook.

MR. CURTIS: Mr. Chairman, before the hon. Minister sits down, could I ask him a question? Is it a fact that Bowaters are now subsidized to the extent of paying the rent they pay?

MR. CALLAHAN: They are subsidized in terms of their agreement, Mr. Chairman. I am not aware of any SSA subsidy but, if the same thing happened in Corner Brook as happened with Grand Falls with respect of SSA on the new machines, I have no question that this Government will do the same thing again and

MR. CALLAHAN:

bring a Bill to this House and save the company several millions of dollars in the interest of keeping the operation going.

MR. MURPHY: Mr. Chairman, if I may? With reference to these last remarks, I will say now that there is not a firm that has moved in here and installed new machinery has had to pay SSA on it, on new machinery, new installations. Current supplies, now I am not quite sure, if they are current supplies they must pay a tax the same as anybody else, and I think the hon. Minister will confirm that.

MR. CURTIS: I do not think they do.

MR. MURPHY: But, Mr. Chairman, on this thing, I was quite amused with the Premier who seems to be the cleverest stick handler we have, at least in this Province, I do not know about anywhere else. I heard this particular question raised to the Premier and what I gathered from it was the old reaction that we have had since Confederation, the great big merchant. We had it with the fish merchants. Here is Bowaters, why should we help these, why should we subsidize these people? Now it was not so much the question of subsidization or anything else but the fact of the effect the salt markets were having, not on Bowaters. We can forget Bowaters, they can lose a million or three million, but I think immediately there will be something like 140 wage earners laid off in Corner Brook, 145. What else? There will be down times for a lot of these men and let us not put the wages earned in Corner Brook in a category that can be compared with in any other part of this Province. These men are earning big money. When I think of the Premier's answer and his answers to other questions in this House, when he has talked about his great new industries, create jobs, jobs, jobs at any price.

Now I do not want to go through it all again. I think the people of this Province by now must be fully aware of what has been happening as far as industrial development is concerned. I think ERCO has to be the outstanding one, where last year we paid \$3,145,000., I believe, to subsidize



MR. MURPHY:

power, and the return

AN HON. MEMBER: (Inaudible).

MR. MURPHY: It has been in order the past twenty-five minutes, in order the past twenty-five minutes, but the Premier stands up to defend all these and it seems to be that any company that our genius, our economical genius has brought into this Province can do no wrong.

MR. CALLAHAN: What is seven per-cent on \$25. million at Price in Grand Falls?

MR. MURPHY: The Minister of Finance is there.

MR. CROSBIE: The Come by Chance Refinery, seven per-cent on a quarter of a million, what is that?

MR. CALLAHAN: That is all right. I am not disagreeing. I am simply saying -

MR. MURPHY: Mr. Chairman, look the hon. gentleman has been speaking I would say for eighty per-cent of the afternoon.

MR. CHAIRMAN: Order please!

MR. MURPHY: Is it all right for me to say a few words?

MR. CHAIRMAN: Let us get back on the subject.

MR. MURPHY: Thank you! But, Mr. Chairman, if the Premier, in his statements, is going to bring back again his old attitude of the rich merchant, the fish merchant, the paper merchant or whatever he may be, I do not think it is an answer to the question that was asked by Mr. Connors. If Bowaters and A. & D. or Price Newfoundland are going to meet rough spots, there maybe something this Government can do to help them over these rough spots, not to put money in the pocket of Price or Bowaters but to assist the people of Corner Brook to maintain their jobs and their standard of living that they have become accustomed to.

So, Mr. Chairman, that is all I have to say. The way the Premier retorted to this answer

MR. CALLAHAN: (Inaudible).

MR. MURPHY: Would the hon. Minister kindly shut up. How long do you have

MR. MURPHY:

to stand it, Mr. Chairman, in this House? How long do you have to stand it, the contempt, the absolute contempt? The same contempt was shown me yesterday at a dinner given by the Government, no invitation because there is no regard at all shown for this side of the House.

MR. CHAIRMAN: Order please!

MR. MURPHY: We are in the Reichstag not the House of Assembly.

MR. CHAIRMAN: Order please! The hon. member is entitled to be heard in silence.

MR. MURPHY: That is fifty-five times that has been said, Mr. Chairman.

MR. MYRDEN: Mr. Chairman,

MR. EARLE: Mr. Chairman, I have a couple of comments on the subject of subsidy.

MR. CALLAHAN: The member for Bonne Bay had the floor first, Mr. Chairman.

MR. EARLE: I am sorry, I will yield to you if you wish to go ahead.

MR. MYRDEN: That is all right. Go ahead.

MR. EARLE: Just briefly, a couple of comments on this subject. The matter of subsidy, we have had it batted around long enough but I think what everybody is losing sight of is a question of subsidy, particularly referring to the proposed third mill at Come by Chance or the fourth mill or whatever it is, once, the very minute that money is advanced to any company entering Newfoundland, an automatic subsidy is created. In Come by Chance, \$2.5 million

has been advanced to put up two buildings which have now been there for four or five years. That \$2.5 million, at the present rate of interest, is now worth three or four million dollars to this Government. In other words the Government have had to go out in the meantime and borrow three or four or possibly more million dollars to make up for that building that is lying there.

MR. CALLAHAN: He is talking on Economic Development, Mr. Chairman.

MR. EARLE: Each building - each year that building is there Mr. -

MR. CHAIRMAN: I wish the hon. gentleman would keep more to the subject.

MR. EARLE: This is on Forestry, we are talking about, discussing the development of forestry industry - the proposed mill at Come by Chance is most certainly development of Forestry. I think I am entitled to speak on this, everyone else has said what they want to about this, in the last half an hour,

What I am pointing out Mr. Chairman, is while that building is unoccupied and it has cost the Government of this Province, so far, three or four million dollars, it is costing year by year, in its value to the Government by accumulated interest on that money. So that, if it is another two, three, five years before that is developed, that may well represent an investment of seven or eight million dollars in Come by Chance. That is a subsidy in every sense of the word, because it is saving the company that proposes to build that mill that much interest. Therefore, I say where we have established industries, such as Price and Bowaters, which are pumping money or have been pumping money for years and years into our economy, The Government should not wait to have a cost-benefit study in case of emergency. It will be something like when the Argentic Base closed down, or something of that sort. When there is a tragedy or an emergency, the Government suddenly gets in a tizzy and wonders what they are going to do about it. But if the Government has a proper economic division they should know what the forest industries of this Province are worth and what Bowaters is worth to Newfoundland and what

Price is worth to Newfoundland. They should, at a moment's notice, in a case of emergency be able to say what it is worth to the people of Newfoundland to keep this going. What it means to Corner Brook, what it means to Grand Falls; how much it will cost, how much we will get in return. Not wait until the thing collapses or something goes wrong. In the meantime they are so busily occupied trying to build up competitors for these industries, by advancing money on which they are paying no interest.

MR. CROSBIE: A gift.

MR. EARLE: A gift, an absolute gift, accumulating interest year by year and they cannot keep their minds on the industries which we presently have to try to help them to survive.

MR. CALLAHAN: Free stumpage, a gift? - free stumpage for sixty-five years, a gift?

MR. EARLE: What is that compared with four or five million dollars to these people, which are just lying wasted - free stumpage means that men are working creating the stumps -

MR. CALLAHAN: And it means that the companies are not paying -

MR. EARLE: But the buildings lying out there at Come by Chance at the moment are not employing anybody, but every stump that is created is giving a man work. That is different, entirely different.

MR. CALLAHAN: New discovery.

MR. EARLE: Mr. Chairman, I just wanted to make this point, that it is no use the Government crying tragedy and catastrophe and everything else when it happens. If they have a proper economic division, related to their forest industries, all of these facts should be known. Now is the time to know them, not when the Province is in trouble. Furthermore, continuation of subsidizing industries, whether they be forest or otherwise, that means an accumulating charge over the years. It is continuous subsidy, the companies which are not at this moment giving any employment whatsoever to our people. Certainly, a subsidy, if it is necessary, and I hope it will not

be, a subsidy, if it is necessary to companies that are now employing people is of far greater value than something which, so far, has not employed anybody.

MR. CURTIS: Mr. Chairman, before the hon. member sits down, I might ask him a question. Does he know that Bowaters pay no SSA on anything, anything they buy, anything they use, they get absolute exemption from SSA. Is that not a good subsidy?

MR. EARLE: The hon. member knows very well, he was Minister of Finance at one time. He is very, very familiar with the SSA Tax.

MR. CALLAHAN: Why not tell the House?

MR. EARLE: All right, I will tell the House. You asked the question. Look at the exemptions on the Stephenville Mill, look at the exemptions and SSA Tax on all of the industries that have been brought in.

MR. CURTIS: On original equipment, yes.

MR. EARLE: ~~What is the point of asking that question..~~ The others were already given.

MR. CURTIS: They do not pay it on gasoline, they do not pay it on anything they use.

MR. EARLE: Neither do the others that have been brought in. The subsidies so far are far more generous to the new industries than they ever were to the old.

MR. SMALLWOOD: In the starting of the paper mill at Corner Brook they had to pay no customs duties, whatsoever. They had to pay no sales taxes, because there were none. We were not part of Canada, we had our own taxes. We were still Newfoundland though. They were not charged any taxes whatsoever on anything that they brought in, anything whatsoever, not one nickel. Now that was in the material, the building and construction. Now they started production. They did not have to pay one single cent until 1976, that is five years from now. The mill started in 1921. From 1921 to 1976 they were not to pay the Newfoundland Government one single



nickel. That is what the Government did then to bring that industry into the Province. Not only that, but the Government guaranteed one-third of the entire cost of the mill, \$10 million. That is how that mill was brought here.

MR. EARLE: We are guaranteeing a hundred per cent of the oil refinery.

MR. SMALLWOOD: No such thing.

MR. EARLE: We are guaranteeing a hundred per cent.

MR. SMALLWOOD: We are not. No such thing. No such thing. The hon.

gentleman can say it until he is black, blue and red for that matter.

It is still not right, it is wrong. We are doing no such thing. We, in

Newfoundland, in 1921, '20 and '21, did that to bring in the mill at Corner

Brook, because the effort to bring it in started in 1909. It was not until

1923 that they finally got a deal, after many attempts and many failures.

They finally got it by giving them the world and a fence around it. Besides

that, exempting them from all forms of taxes of any kind or description,

completely exempting them, including municipal taxation.

What they give the Municipality of Corner Brook is a sheer gift. They do not have to give them a nickel. They are exempted from all that. All forms of taxation. On top of that they were given a guarantee of one-third of their capital.

Now, when Confederation came, Bowaters came to me and said to me; "are you going to let the Government of Canada violate the contract that we have with you, with your Government, with Newfoundland?" I said; "certainly not, not with our consent or agreement whatsoever." I led a delegation of Bowaters to the Minister of Finance, who at the time was the Hon. Douglas Abbott, now Mr. Justice Abbott of the Supreme Court of Canada. I stated the case for exemption from the Canadian Government Federal Corporation Income Tax. The Minister of Finance said; "we are going to impose it. We are not going to exempt that paper mill from Canadian Taxation." Bowaters sued them in the Supreme Court of Canada, in the

Exchequer Division, and lost the case. Our then Minister of Justice and present Minister of Justice went into that case for Newfoundland to argue against. Then when tax agreements were drawn up, we refused point blank, to this moment we have refused, to be a party to putting taxes on Bowaters, because it would be a violation of a solemn contract made by this House in 1921 or '22 a solemn agreement made to exempt them from taxes. Bowaters have always been exempt from Newfoundland Government taxes and are to this minute, will be for the rest of this year and all of next year, the year after, the year after, until 1975 or '76 I think it is somewhere around there. We have done that, to Bowaters. But they have been paying corporation income tax to the Government of Canada ever since we entered the Canadian Union.

Now so far as sales tax is concerned, we exempt every new industry from payment of that, on the original plant and on any extension of the plant, not renewals, not replacement, not parts and accessories as they wear out but the new original plant. We are happy, we are proud, we are glad to give complete exemption from taxes on any new industry that comes in, on all their original equipment, machinery, plant equipment, building, everything that goes into a new industry. We are proud of it, we are delighted to do it, we wish we had 500 industries to exempt from that tax. But we do not exempt them from regular corporation tax. We do not exempt them from this sales tax, on renewal, If a machine breaks a part, the new part is brought in, that pays the tax. Any replacements, any renewals of any plant pays the tax. But if they extend, if they expand, for instance, if a paper mill comes in, the whole paper mill is exempt from taxes by the Newfoundland Government. We do not tax them at all. But suppose after five years they put in a new machine to double their production, that new machine is exempt also. Any extension or expansion is exempt from taxes, but the ordinary replacements pay the tax. This is sound. We are not going to try to make it more difficult

to bring industry into the Province, we are going to make it as easy as we can. We are doing it, we have a right to do it. There is no argument against it, none.

MR. EARLE: Mr. Chairman, what the Premier says is correct, as far as it goes. But the trouble with this argument is, you are now comparing 1920-1930-1940 with 1971. The point of what subsidies a company does or does not get today, compared with what it got in the past, is a pretty big subject which has to be looked into. For instance, take the Stephenville development out there, do we hear of several million dollars for a water and sewerage system subsidized by DREE and paid for by the Federal Government? If houses are built at Come by Chance, if a town is built out there, will they build that town like Bowaters built Corner Brook or like the former AND Company built Grand Falls? No, of course not. It will be CHMC, Central Housing and Mortgage, through various arrangements. Subsidies today, as compared with the subsidies in 1920 or '30 or '40, are ridiculous comparisons completely. Because practically every move that a new company makes, and this is good, to attract a company to the Province, I am not disputing this - there is the subsidy as the Premier has said, by way of SSA Tax exemption, on all new equipment, not on replacements. There are all of these things, which are good in themselves, to attract a new industry, but to try to make a comparison today of what was given to the forerunners of Bowaters and the forerunners of Price, the thing just does not wash. I would like to see it worked out in active comparison because the whole thing is millions of dollars more in favour of a company establishing today than it ever was in the day of Price or Bowaters.

MR. MYRDEN: Mr. Chairman, I would like to have a few words about this affair. I was hoping actually, and I know everybody in Corner Brook was hoping that it would never have to come to the House of Assembly. There has been many rumours around town where, the town where I live, in Corner

Brook, that this thing would be resolved. I know our representatives in Ottawa are trying to do everything they can. But, first of all, I am very pleased actually to hear the Premier say that Bowaters did not ask for a subsidy. I believe him when he says that because I do not believe they need one. I say it sincerely because, having grown up there all my life and knowing the situation very much now, it is very hard for people in Corner Brook to believe that a little town there that has actually - and this is just plain rumour but they think it is right - actually built the southern mill in Tennessee from the profits they made in Corner Brook, I believe that too because they have made lots of money there is no doubt about that.

But, they have not made any profits since 1967, because I do get the balance sheet every year and I am quite well aware of that. They have run into difficult times, also I think because of the world markets. But again their sister mill in Mersey has not lost one day and will not lose any days production because they have made some other arrangements, I think with the "Washington Post", to which, I think they sold something like fifty per cent of their mill. They have produced their paper just for that. All their mill production is sold to the "Washington Post." I would like to say, we are not here talking about the people in Corner Brook. I think everybody is well aware that the whole West Coast depends on this mill and if 145 families in Corner Brook lose their jobs, it extends right down through the mill itself, through the town itself, through all the woods, the forests, right down the whole coast -

MR. SMALLWOOD: How so? How so? How -

MR. MYRDEN: Well, there is less wood cut, first of all.

MR. SMALLWOOD: Why?

MR. MYRDEN: Because we will be closed down at least ten weeks -

MR. SMALLWOOD: Oh, that is for the close down, not the lay off of the men.

MR. MYRDEN: The close down, by laying off they are going to cut down, they are going to cut down to six days a week.

MR.SMALLWOOD: They are closing the mill down,sure, but not laying off men.

MR.MYRDEN: No, but that will be less jobs -

MR.SMALLWOOD: In Corner Brook?

MR.MYRDEN: Yes, in Corner Brook. That goes to the Service Station, to the stores, to everything else.

MR.SMALLWOOD: It does not go outside of Corner Brook.

MR.MYRDEN: No, but the forests do. There will be about ten weeks less production this year, which means a heck of a lot less wood. Now that extends right down the coast, right out through Stephenville and beyond, right down to, almost to Codroy Valley. So that we are not just speaking of the people in Corner Brook,we are speaking about helping the whole of Newfoundland's West Coast.

This closing forever, this idea of closing forever,I feel it will not either,But there has been great talk of; probably they may be selling, or there may be a new company interested or something like that,but we would never like to see it because Bowaters has been darn good to the whole of the West Coast. We feel that it is a real serious affair.

Now, two or three suggestions came up over the weekend when we were home. They mentioned of course the 1900 miles of access roads that the Government intend to build. They wanted to know, they asked me if I could find out, actually if those access roads would be available to Bowaters or would it be private, smaller operators, would it be going to Shaheen and Doyle or would it be proportioned out to the bigger paper companies? They feel that,also, in Corner Brook the suggestion came up that may be - I do not think the Provincial Government can do it, I honestly do not. But I think the Federal Government have an interest in the thing and they recognize the problem right across Canada.

Bowaters have a bigger problem because they are now using thirty and forty year old machinery, which they say must be automated to produce



the paper they want, get the better production, keep the cost down. I feel this is possibly the answer. I feel that and I know possibly the Premier has already discussed it with many of them that with Federal Aid, with some sort of Federal Grants or small interest loans, they could possibly do this construction over the next three or four years.

MR. SMALLWOOD: Does the hon. gentleman not realize the pulp and paper industry is Canada's mightiest industry? Do you have to subsidize your mightiest industry?

MR. CROSBIE: Yes, we are doing it, Shaheen..

MR. MYRDEN: I am not saying Provincial Government, I am saying Federal money - you know -

MR. SMALLWOOD: I know what the hon. gentleman meant, He did not mean us, he meant Ottawa. Where is Canada if her mightiest industry has to be subsidized? If that industry does not pour money into the Government, where in the Name of God is the Government going to get the money to pour it back?

MR. MYRDEN: It would be no good if they cannot operate. Three or four million dollars a year would give more jobs - we have a thousand school children over there this summer will not be able to get a job, will not be able to go back to University. Will not be able to go to school in a lot of cases. There are a lot of kids there that will not be able to come back.

MR. SMALLWOOD: The hon. gentleman was not talking for the moment about Corner Brook, he was talking about the vast pulp and paper industry of the whole Nation.

MR. MYRDEN: All right. Good enough.

MR. SMALLWOOD: Are we going to have to subsidize that?

MR. MYRDEN: There is money available in Ottawa through the DREE Programme. DREE has been giving grants out and been giving loans out, why not do it

for the pulp and paper industry, right across, if money is available? They are in trouble, may be two or three years they will not be. I only put this forth because somebody has mentioned it to me. I think that there should be possibly something to take over the next two or three years into a construction field, employ these people and at the same time they are only loaning money to this company, which within another three years will be over the doldrums, we hope. Anyway Mr. Chairman, that is my few words on this Bowaters situation.

MR. SMALLWOOD: Mr. Chairman, I tried to follow what the hon. gentleman said. I tried to follow it with sympathy. It is one thing to talk about the two mills in Newfoundland, they are both going to close down for a while. It is another thing to talk about the whole pulp and paper industry of Canada, which is the world's biggest. It is Canada's biggest single industry. It is bigger than agriculture. Now, it is bad enough to tap the pulp and paper industry, and the mining industry, the other great industries to help agriculture. It is bad enough to tap them to help the fishing industry. But there you are talking about what is relatively a small amount of money. But to subsidize

MR. SMALLWOOD: money but to subsidize the pulp and paper industry would take half the Bank of Canada. Right now it costs \$7 a ton for freight on paper down into the U.S. \$7 a ton, it is a fantastic situation. That is only one angle.

The cost of wood is not only high, it has gone crazy. In the pulp and paper industry, the cost of transportation on the finished product, the cost of wood delivered into the mills and the fact, as in the case of Corner Brook, for example, we have a completely antiquated mill. The mill in Corner Brook is like Noah's Ark, it is like Noah's Ark, it is so antiquated, it was built in 1923. Thanks be to God Grand Falls put in Mobey Joe, is that what they call it? The new machine, second biggest on earth, maybe the biggest news print paper machine in the world, they put it in in the nick of time, but Bowater's have an antiquated mill. What it looks like is that automation is the answer, but automation means cutting the staff in half.

Now it is the old question. Is half a loaf better than no bread? It has to be, and if the mill in Corner Brook is going to be modernized and turned away from being the antiquated Noah's Ark it is, into a modern streamlined paper mill, they will cut their staff in half. But better a big mill, modern, making money, with half the staff, than one losing money, in danger, with double the staff. As far as the great majority of the workers serving that industry are concerned, they are woodsmen, they are loggers. Not the men working in and around the mill, the vast majority of the men who get a living are down in the hon. gentleman's district and they are down in the Minister of Public Works district and they are in the district of Port au Port and they are in the district of St. George's, they are in the district of White Bay, they are all over the West. There is where the people get the benefit from that mill, more than the number of people in the mill. So, if the mill is cut in half as to the number of men, and they make money and they chew up the wood, and they employ the loggers, Newfoundland is still getting a

MR. SMALLWOOD: tremendous benefit.

Now the funny thing is that in Grand Falls you have not got the same kind of a situation at all. The situation in the mill at Grand Falls is not at all the same as in Corner Brook. Do you know what has happened to the mill at Grand Falls? Let me tell you something; in the mill at Grand Falls, wages in the woods industry have (now do not hold me to this) about doubled since 1958, I think it is twelve years, wages have about doubled.

Do you know that the wood landed in the mill at Grand Falls today is costing them the same as it did before wages were doubled? When wages were half what they are today, the wage rates were about half what they are now, when they were about half, the cost of the wood landed in the mill at Grand Falls was the same as now.

Why is it that with wages in the woods industry doubled in the last ten or twelve years, the cost of wood is not doubled, landed in the mill? It is the same as it was when wages were half what they are now. Why is that?

If there were no countervailing factor... Exactly, the productivity of the men has gone up. The productivity, which by means of machine, transportation, the cost of transportation of the wood to the mill has been improved, so that they have a more efficient operation. But I am afraid that cannot be said of Bowaters. Bowaters never were able to compete with Price in the efficiency of landing wood in the mill, in their mill, compared with landing wood in the mill at Grand Falls and in the cost of landing it there, never yet competed with Grand Falls. Now what it is I do not know, but we are going to get over this.

I have certain facts and certain figures that I am not privileged, I have not the right to reveal them. They were given me in confidence. But I have not doubt we are going to get over this. It is a horrible thing for a modern city like Corner Brook, one of the most beautiful cities in all of

MR. SMALLWOOD: Canada - From coast to coast in Canada, where would you find a more beautiful city than Corner Brook? To see that city thrown down in the dumps, three weeks down and another three weeks coming up, six weeks down, the lost wages, the lost purchasing power, everything in Corner Brook will feel it. Not just the men who were laid off in the mill, every single individual activity in Corner Brook, the schools, the churches, the shops, the taxies, the gas stations, you cannot mention anything that will not be hurt by it. So nobody welcomes it. How did all this start here? Somebody referred sneeringly to what I had said, that the answer was not for the Government to subsidize Bowaters and that in any case they did not want subsidy. They did not ask for it. They did not want it. They would not be foolish enough to ask for it, to which I added finally that, if in the showdown, in the end, it became a case of their closing down permanently or our subsidizing, we would probably subsidize, probably. We would almost certainly subsidize if a study showed it paid to do it, that it paid us more to subsidize than we would lose by not subsidizing.

MR. CROSBIE: Mr. Chairman, I am glad to hear the hon. Premier make that last comment, finally. After we have been...

MR. SMALLWOOD: I said it before, the same thing.

MR. CROSBIE: It was not said before.

MR. SMALLWOOD: Go on you jackass. You are just a poor jackass.

MR. CROSBIE: You had to be forced to say it. You had to be forced to say it.

MR. SMALLWOOD: You are getting worse every day.

MR. CROSBIE: Because the hon. Premier can see nothing. Nothing that is established on this Island by somebody other than the Premier is any good. That is the Premier's attitude, as exemplified here this afternoon.

MR. SMALLWOOD: You are becoming a cheap politician. Cheap, very cheap.

MR. CROSBIE: Now look at some of the nonsense we have to listen to, Mr. Chairman. The hon. member for St. Barbe South suggests that perhaps there



MR. CROSBIE: should be some federal assistance to try to modernize the Bowaters Plant. Why not? And the Premier's answer is that the Pulp and Paper Industry is Canada's greatest industry. And how can Canada subsidize her greatest industry? What will happen to Canada if she does? Was ever such malarky heard?

We do not care about the rest of Canada. We happen to be in a special DREE area here in Newfoundland. The whole purpose of the Dree programme is not just to build schools, and to pave roads because the Premier has got an election coming.

The whole purpose of the DREE programme is to help the economically disadvantaged parts of Canada to catch up with the National average, and we are in an economically disadvantaged part of Canada. We are recognized as an area for Dree. We were recognized as an area for FRED. We were recognized as an area for ADA and ARDA and practically any other initials you can put together.

So when the hon. member suggests that perhaps some assistance can be gotten from Ottawa, if the Bowaters Plant has to be modernized, for new machinery and the rest of it, why not? The Newfoundland Government made an application to Ottawa to get \$5 million for the Shaheen Plant at Stephenville and the Labrador, it was turned down because Ottawa did not have any faith in the feasibility of the project.

An application is or will be made, or was going to be made to get \$5 million for Mr. Shaheen's Newfoundland Pulp and Chemical Limited at Come By Chance. Did the Premier then take the attitude that any assistance for those plants, why would Canada help out Canada's greatest industry? Was it not Canada who once subsidized Canada's greatest industry? There was not such nonsense then. It was, "Ottawa is going to do it. Ottawa is going to do it and we are going to make them do it. We are going to persuade them to do it."

MR. CROSBIE: So now when it is suggested that Ottawa might find some money, make a grant to help Bowaters if it has to modernize its Plant, the answer should be sure, Why not? the Bowaters Plant at Corner Brook is in a regionally disadvantaged area and it is eligible for Dree grants or it should be. We know it will give a maximum, up to \$5 million, not just for new but for extensions to industry and the rest of it. So there is no reason in this world, if Bowaters need to modernize their machinery or to get new machines, why this Government should not press the Government of Canada to agree to such a grant and press DREE and Mr. Marchand and all the rest of them. That is what that Department is there for. It is not supposed to be a slush fund Department, wacking out money for roads and schools when an election is coming up. It is supposed to proceed according to a plan for the economic development of parts of Canada that are not economically developed

MR. ROWE (F.W.): Would the hon. gentleman tone down his voice?

MR. CROSBIE: All right, too loud was it? I do not want to wake up the Government too soon. I do not want to get them woken up until the election is over.

So Mr. Chairman, why not? There is no reason why Bowaters and the Government or why the Government cannot urge that if Bowaters need a grant from Ottawa to help them in machinery, there is no reason why they should not get it. It is not for the Premier of our Province to get up and say why should Bowaters get it, is Canada going to subsidize her greatest industry? - all that piffle. The Premier never mentioned that, in the two years I was in the Cabinet when they were trying to get grants for Shaheen and Doyle. Why should he mention that now? It has not been suggested anyway. Regional incentives - if the Government of Canada will grant you incentive to come to Newfoundland to build, it will certainly grant you incentives to expand or modernize when you are here or

MR. CROSBIE: it should, and it has agreed to do it for Stephenville. It is putting in a water system, It is providing assistance for the mill at Stephenville. It has to provide a wharf, although it has asked for a guarantee at Come By Chance, it is providing other things at Come By Chance, for the mill down there, and if Bowaters needs it and this Government urges it, and if the Premier makes himself a nuisance up in Ottawa, as he does to help his friends, Shaheen and Doyle, who he cannot see beyond, if he will do the same for Bowaters and Price, they will get the same kind of assistance. But it is the fatal mote in the Premier's eye that it must be an industry that he, the Premier, has brought to Newfoundland, not one that was here in the old days, that Bond brought, or Squires brought, all supposed to be Liberals. If it is some industry that is already here, if it is some brewery that is already operating in the Province, there were three of them, if it is not something the Premier did not have a hand in creating or announcing, it is a completely different attitude. Never once did we ever hear the Premier say that Shaheen and Doyle were going to try to use our forests for their own profit, which is exactly what they are doing.

It is always presented to us as if Shaheen and Doyle are doing this just to give employment to Newfoundlanders. Yet today when we are looking for some sympathy for Bowaters and Price, really not for them but for the people they employ, it is an entirely different quintal of fish. Not a word mentioned about who they employ, just Bowaters and Price, and the Minister of Justice piping up "they do not pay any S.S.A. tax", and all that kind of nonsense. Who does pay the S.S.A. tax? I wonder if there is anybody paying it.

Now Mr. Chairman, I asked the Minister a couple of questions. Before we leave this item, I would like to get his answers. One was on the two saw mills, the Minister appears to be stunned. s-t-u-n-n-e-d. It has been too much for him? Just too much, ... if he will promise to give us just the answers. The Minister next to him is stunned, s-t-u-n-n-e-d

MR. CROSBIE: Now will the hon. Minister want to tell us about the two Newfoundland Forests Products saw mills? What has happened to them? They have not been operating as one would expect they would be, those two modern mills. The other was, can the Minister tell us anything on the cost of transporting wood from Labrador, not what the Premier thinks but what the Minister thinks and what it is based on? What reports he bases it on? What is the cost of transport wood from Labrador to the Island?

MR. CALLAHAN: Mr. Chairman, I do not have any thoughts. As a matter of fact the debate this afternoon has been a pretty good indication that once a debate gets off on one wrong step, you just cannot get back on.

I do not wish to discuss the agreement with Newfoundland Forest Products. That agreement is the agreement of my colleague, the Minister of Economic Development, and I think properly should be discussed on his Estimates. So far as the purely forestry aspects of the operation are concerned, they have had some problems with start-up. They have had some problems with high cull wood in a diseased wood area, higher cull than was anticipated. They have had some problems finding skilled people, which is one of the reasons, yesterday (I think it was yesterday or the day before yesterday, whichever day was Monday, Mr. Chairman, <sup>they</sup> opened a school, a logging school on the West Coast, to train loggers in the new and sophisticated or the use of new and sophisticated equipment, that will produce consequently a high degree of productivity.

So there are a number of problems, but the two mills, I understand the mill at Stephenville is to go back in operation, I think within the next ten days, and I believe the one in Hawks Bay is back in operation. I think they will start up with some advantages that perhaps they did not have before, for a number of reasons.

These are very major operations, Mr. Chairman, We have never before had mills of this type. The mill at Hawkes Bay is designed for 60,000 cord feet a day, the one at Stephenville up to 40,000. These

MR. CALLAHAN: are quite major operations. They are the first of their kind, designed for integrated use of the pulp wood and saw logs and the disposal of chips. As I said, it is new and they have had start up problems and distribution problems in terms of wood fibre. But, based on their first year's operation, I think in the close down period they have been able to review their operation very closely and I have every hope that when they do start up, very shortly, (I am not sure that Hawke's Bay, perhaps already has restarted) that they will start in a better climate and <sup>with</sup> a better understanding of the new type of operation that they represent.

I have nothing to add to the question of wood costs from Labrador except to say this, Mr. Chairman, that (the hon. gentleman did not, he admitted) having read the Royal Commission Report closely, the report takes as a basic premise the fact that all the forests in the Province, both in Labrador and on the Island, will be considered treated and operated as a single management unit.

This allows for wood distribution on a basis such as has never been contemplated before. This is one of the objectives of the Commercial Forests Corporation. It will result in a more sensible cutting pattern, based on stand rotation and age groups. It will result, we believe, in more economic transportation, which certainly will be of help to the mills at Corner Brook and Grand Falls as well as to the other mills that are coming. Generally speaking, we will have I believe a good economic effect.

I would think that one of the first tasks of the Corporation will be to deal with the entire problem, the global problem of transportation, because that is one of the prime reasons for taking this approach. The hon. the member for St. Barbe South mentioned the access road programme, of course the access road programme will apply to all forest operations in the Province, big and small, pulp and paper mills and saw mills and also will apply to, as I said earlier, I think this morning, it will apply to multiple uses, not only for forestry purposes, for wild life, fishery



MR. CALLAHAN: purposes and perhaps also, and I believe also, for transportation, as transportation of people.

There are communities that can be provided with better transportation because of the programme that we contemplate.

MR. HICKMAN: Before the hon. Minister sits down, would he tell the Committee how the transportation cost would be reduced as a result of this commercial corporation?

MR. CALLAHAN: Well, for one thing, Mr. Chairman, it will rationalize the forest tender situation. As we have it now, there are holdings scattered throughout the Province. What we are proposing, as I said, is that all the forests of the Province be taken into a single management unit and that the privately owned or leased land, as well as the Crown lands, be put into a single pool and that the wood be drawn off from that pool on the basis of annual, mid-term and long-term wood budgets, and delivered according to species, according to bulk requirement, to the nearest delivery point. Regardless of who in fact owns the limit, whether the Crown or otherwise, on which that wood is located, it will be a matter of bookkeeping to establish the grade of credits that will apply and this is a question

MR. CALLAHAN: for economists, for accountants. I do not want to get into the precise detail of it. But this is how it will in effect work. It is not a new thing, in fact it maybe new in principle, in terms of policy. But from time to time there have been trade-offs, there have been exchanges of wood between companies, for export purposes and whatever, and this will simply create a total situation where in effect it will be exchanges on an agreed basis or wood will come from the best place from which it should come, come from the place of best advantage to get to the woodyard at the cost, bearing in mind the sawmill operators in the small operations have need of wood fibre. Now it is being worked out on that basis, and I think, it will be a tremendously workable situation.

MR. CROSBIE: Is there going to be legislation on this?

MR. CALLAHAN: We are not convinced that legislation will be necessary, it may be. We will determine this as we go along. We are negotiating with the companies and with the holders of forest land, and when we get the detail worked out on paper to everybody's satisfaction, then we will consider whether legislation will be required. It likely will, Mr. Chairman, but I do not want to commit to it at this point.

MR. CROSBIE: Where is the vote here, is it 06?

MR. CALLAHAN: There is no vote, Mr. Chairman, for Commercial Forest Corporation. I think I said earlier, we do not know what the funding requirements will be, if any. It will probably be in the nature of working capital. It may be that the participants will participate on that basis by putting in working capital. But the corporation itself will not do any logging. The corporation's function will be to plan the commercial operations and they will be carried out by the same logging forces and the same logging operations who are now logging. So the Howaters may be logging on their own limits for Price or for more than one other mill, as well as for themselves. It is possible that Price will be logging on their limits and on crown limits for the Third Mill at Come-by-Chance. It is a matter of knowing where the wood is, which is the inventory programme. It is a matter of planning the transportation and access, which is the access road programme and

MR. CALLAHAN: then of bringing the parties together, to determine their needs and knowing what the inventory is and where it is located, planning where it should come from to fulfill these needs. This will be done jointly with the participating industries.

AN HON. MEMBER: Inaudible.

MR. CALLAHAN: No, Mr. Chairman, the first person we have to find is a first class general manager, who will be respected by the industry and who will be able to represent the public interest. We will do that as quickly as we can, once we get the final details ironed out.

MR. HICKMAN: This will not involve any transfer of title?

MR. CALLAHAN: No, Mr. Chairman, it will involve the vesting of control.

To give the committee some assurance, this has already been done in what you might refer to as a test case. Last year, after months of negotiation, we were able to come to an agreement whereby Price vested an area, a woodland area in the Kepenkeck Lake region, Terra Nova Watershed, to the Crown, for a period of six years, which was the estimated period of the planned operation for the harvest of the wood that was present.

Because of the vesting in the Crown, (the Crown took control) effective public control was established of the limits, for all purposes. And as a result of that, in turn, the Department of Regional Economic Expansion agreed to fund the entire cost of the access road. So I think my hon. friend will see what I am driving at. If we can establish effective public control, by voluntary vesting, then we get into a position where we can say this is a public operation, it is a crown corporation, and we can get Federal funds. So all of these things fall in train. Now, if we put all of these forests in that category, then the obvious answer is there. Then we can go to DREE, on the bases of justification, on high wood costs and employment and other things, and say; "will you please do the same as you did last year in Kepenkeck Lake, except on a much broader and much larger scale." This is the agreement that is now being negotiated and it is in the final stages.

MR. CROSBIE: Mr. Chairman, before we leave this, when is the minister expecting this new policy to take effect? We know there is a policy, I think it was

MR. CROSBIE: announced in the Speech from the Throne. There has to be a forestry corporation. I forget the name of it. The minister says that they are negotiating with the paper companies, Shaheen and Doyle, on their concession, and others, Reid Newfoundland Company.

MR. CALLAHAN: The rest will not be disturbed.

MR. CROSBIE: Is the minister expecting - but under this policy the Government takes control of what wood can be cut and when it can be cut etc. The minister says that the companies will use their own logging forces to cut it. That A.N.D or Price may be cutting on Bowaters limits and Bowaters may be cutting on Price's and so on and so forth. But, when is this suppose to go into effect? Is the minister expecting this to commence this year?

MR. CALLAHAN: It is pretty well in effect now, Mr. Chairman. It is being brought into effect progressively, We are not going to wait a year to get all the "t's" crossed and the "i's" dotted. We have agreed on the principles and we are everyday moving toward the culmination of the policy, because we think it is important to get it underway quickly. So it is coming in, in stages, progressively, everyday, we are doing something, taking another step towards the complete implementation of it.

MR. CROSBIE: Does this include the forests in Labrador also?

MR. CALLAHAN: It includes, as the Royal Commission says, Mr. Chairman, all of the forests of the Province, Labrador and the Island, treating them all as a single pool of wood fibre for the public purpose, of greater efficiency, lower costs, so as to make our mills more competitive, all of our mills.

MR. MARSHALL: Mr. Chairman, before this item passes, if I could observe the fact that we view, with disappointment, the apparent lack of carry through with respect to the Forest Development Corporation, this Royal Commission that was announced at the Development Conference. I believe, although I may be wrong, that the minister was privy to the contents of this Forest Commission at that time, even though it was not released.

MR. CALLAHAN: That was well known. It was well known in October.

MR. MARSHALL: Right. It was well known in October. It has been known for a

MR. MARSHALL: long time. The word used by the Forestry Commission is that it suggests and recommends that the creation be urgently considered, of a Commercial Forest Corporation etc., as the minister knows.

Now it comes before this House with no real funds provided in his estimates for this Corporation. Certainly while it may not need a mammoth injection of funds, it is going to need a certain proportion of the funds, a certain proportion of the minister's budget, to exist. When asked a question; (what is going to be the composition of the personnel of the corporation?) We get a rather indefinite answer, and one gets the very definite impression that Government have not really gone into too fully, as between Government and industry, as to the composition and the duties of this Forest Development Corporation. So it is certainly a matter to be observed that it is rather disappointing to see that the plans for this corporation have not gone further at this stage, has not proceeded farther. As a matter of fact, by this time the planning should almost, since we have known about it for such a period of time, that planning for this corporation should have long since been passed, the corporation should have been into effect as of now and in operation. The only ones that are going to lose are the people of Newfoundland ultimately and the economy of Newfoundland.

MR. CALLAHAN: Come on. Mr. Chairman, what makes the hon. gentleman believe that there has been any consideration or planning?

MR. MARSHALL: Statements of the hon. the minister.

MR. CALLAHAN: Let me just say this to him; that this is a very major reform in the management of the forest of this Province. It is not going to be negotiated in public. Negotiations have been going on, with the other interests involved, for several months now. When we get to an agreement, which I think we will get to on the basis of agreement in principle that we now have, then I will be very pleased to say what it is. But I have no intention and I think it would be most unwise to go further than I have gone or to get into public discussion of items that are under negotiation at the moment. That is all it means. We know what we want to do. We know what has been recommended. We have accepted the Commission's Report. And as soon as



MR. CALLAHAN: finalize, the agreement with the landholders or the forest landholders, we will be very pleased, happy and anxious to say what it is. But we are negotiating it at the moment and until we conclude the negotiations we are in no position, obviously, wisdom would dictate that we should not go further than we have gone.

MR. BURGESS: Mr. Chairman, with the concessions which Mr. Shaheen and Mr. Doyle have in Labrador, virtually all of the timber resources there, it would logically seem that the future of the Labrador forest depend on the fortunes or misfortunes of these gentlemen.

Now in relation to Melville - the Melville operation, would the minister kindly inform the House as to whether he is satisfied with the nature of the operation currently underway in that area? What I mean by that; are they being selective in the harvesting, are they doing a good job in their harvesting? And also, if he would mind informing the committee if there are any plans or any talks have occurred about reforestation in that particular area? Also in relation to this 1900 miles of access road, would he be in a position to say what portion of that 1900 miles would be in Labrador, for the purpose of developing the resources there?

MR. CALLAHAN: Mr. Chairman, No, I am not happy with the operations in Labrador, not entirely, as I am not happy with some other operations in the Province. There are numbers of reasons for that. The Labrador operation is based largely on the use of the most sophisticated, I think, mechanically equipment today available. I am not happy because I do not know what the ultimate results are going to be.

Now that leaves us with a choice, we either have an economic woods operation in Labrador or we allow the trees to stand until they rot or fall. What we are doing is some research work. We have been discussing, with the Federal Forest Service, and in our own Forest Service we are following up the operation in Labrador to try to determine the effect of mechanical harvesting, because this is the first mechanical harvesting in Labrador. So until I get a positive answer, I am not going to be happy. You do have a thin and a rather silty or sandy soil condition. We have to look at that very carefully.

MR. CALLAHAN: Now the accessroads I have not been able to find a breakdown, Mr. Chairman, Yes, a very large share of the accessroads, whatever is required to harvest over the next fifteen years timber in Labrador, is included in the accessroads requirements of 1900 miles.

The other point, in relation to a question asked earlier, the 1943 Goose Bay Agreement established the Military Reservation at Goose Bay. The Government of Canada have taken the position, at least their lawyers have, that this has conferred upon Canada rights to the timber in the area. We take a quite different position.

AN HON. MEMBER: Inaudible.

MR. CALLAHAN: That is right. Javelin in the first instance had paid over, I think, some \$6,000 or \$8,000 in stumpage, to the Federal Government from whom they got the licence originally. That money is being held, on the understanding that we had solved the problem and that the Government of Canada had agreed that, in fact, the rights were Provincial, Javelin, began to pay stumpage to this Government. Then two or three months ago, or several months ago, I cannot remember the exact date, Mr. Chairman, the Federal Government came back again and said; no, They changed their minds, they still felt that this was really a Federal forest area. Since that time Javelin, rather than paying stumpage to both, have declined to pay further stumpage until the thing is sorted out, and my colleague the Minister of Justice now has the whole matter in his department for consideration.

AN HON. MEMBER: Inaudible.

MR. CALLAHAN: Yes, in the early stages, Mr. Chairman.

MR. MYRDEN: Would the minister mind telling us, Is it not true that they are operating between \$3 million and \$4 million worth of high class equipment and they have only gotten out 21,000 cords in two years?

MR. CALLAHAN: Well, obviously, the figures given earlier by the hon. the member for St. John's West would relate that.

MR. HICEMAN: How many did they get out?

MR. CALLAHAN: I have not got the figure here.

MR. CROSEJE: The two figures were 21,000 cords that were shipped out of

MR. GOSBIE: Labrador and 75,000 cords cut in 1970. So those are the right figures.

MR. CALLAHAN: But they have been moving in progressively, I think, a year ago there were only 120 men working, I think, a year later there were 270 men or 290 men, they are building up in operation. Some of this equipment has only come in, in the last two months.

MR. SMALLWOOD: They are up to 1,100 cords a day in the last couple of weeks. They are operating before the winter.

MR. MYRDEN: Are they operating on the front woods basically?

MR. CALLAHAN: They are working back towards the -

MR. MYRDEN: They are working back?

MR. CALLAHAN: That is right.

MR. BURGESS: Is the hon. minister saying that there are 130 men employed there now?

MR. SMALLWOOD: No, he did not say that.

MR. CALLAHAN: I said that my understanding is that about from one year to the next, last year when they started up there were about 130 men. I think before the winter they were in the area of about 300 men - 270 to 290 men. I do not know what it is at this precise moment.

MR. BURGESS: Is it not true also that they have a contract to supply 100,000 cords of wood for this year and which would logically lead you to believe that there should be more men employed than there are actually at the moment?

MR. CALLAHAN: Well, I think there will be, Mr. Chairman. But, we had as much as eight feet and ten feet of snow in the woods in Labrador this year, and operations had to close down, otherwise, you were leaving six and eight foot stumps, so that half of the wood was being left on the ground. Well, that is a situation we have to face. What we think the answer is, incidentally, is to leave high stumps deliberately and go back in the spring and do a salvage operation. But there have been very serious problems and they just had to

MR. CALLAHAN: virtually shut-down, as I think my hon. friend knows.

MR. BURGESS: Well, I hope the hon. minister is present in the House tomorrow because I have - it would not be strictly relevant at the moment. but I have some things to say, on private member's day, tomorrow, about the operation. I am sure he would be very interested in hearing.

MR. CALLAHAN: I would be very interested.

MR. CROSBIE: Mr. Chairman, according to the figures that the minister states are correct - 75,000 cords were cut in the Melville area during 1970, in the Melville operation. Now that operation, once the mill starts, has to cut 500,000 cords a year for the plant at Stephenville alone. Then, I believe they are planning to export - cut for export 200,000 or 300,000 cords.

MR. CALLAHAN: No, as I recall it, only up to the point where the mill starts.

MR. CROSBIE: All right 500,000 cords a year. Well, that is at least 2,000 cords a day, while you are cutting.

Now the minister says that because they have eight feet or ten feet of snow up in Labrador during the winter; (I do not know if this is very exceptional) that this year they had to stop because they are leaving eight and ten feet stumps?

MR. CALLAHAN: Right, so we plan to leave stumps.

MR. CROSBIE: The question that I ask is; was it unknown before now that up in Labrador you have eight or ten feet of snow in the winter and that, therefore, you got eight or ten foot stumps?

MR. CALLAHAN: Not really.

MR. CROSBIE: It was not known. Surely there have been people up there cutting wood in Labrador for years.

MR. CALLAHAN: It was not unknown, Mr. Chairman.

MR. CROSBIE: No.

MR. CALLAHAN: If the hon. gentleman would allow me. The equipment that is being brought into Labrador is designed to meet this eventuality. It is new equipment. It is being used only for the first time. The long neck creatures which can get down to the snow and cut the tree off right at the base and take it away. This is what is being developed. But it is new.

MR. CALLAHAN: People are not trained to use it efficiently and so the thing has been slow getting up to peak. It is now in excessive of 1,000 cords a day. It is still early in the game. The problem this winter was that the whole operation was not mechanized to the extent that I just described. It will be. It will have to be in order to get the production.

But I was talking on that point or referring to something that the hon. the member for Labrador West mentioned specifically, in terms of employment. But we are not talking about production at that stage. With the equipment, I do not think there will be any problem with winter operation, when the operation gets up to the planned level then it will be able to get wood out with very, very low stumpage, indeed, I think, flush to the ground.

MR. SMALLWOOD: Mr. Chairman, I am not over optimistic about the wood-cutting situation in Lake Melville. I have told Doyle a hundred times that you can hire men, you can hire dozens of men to design a paper mill. They will draw the blueprints of it. They will design a beautiful paper mill. You can hire dozens of firms to build a paper mill. You can hire men to run the paper mill. No trouble. They are here. They are here to be got, just pay them the money. You can steal them away from Dowaters. You can steal them away from Price. You can steal them away from International. You can steal them away from Crowns Zellerback or anyone, anywhere, anytime, just pay them the money. You will get all the men you want to run a paper mill. No trouble to design a paper mill or to build it or to run it. No trouble at all. No trouble to get first class salesmen. I have said this to him a hundred times. But, I said, "if you fail, you will fail because you failed to have an efficient woods operation. That is the rock on which you will crash, if you will crash." I have said this to him a hundred times, at least one hundred times. And at



MR. SMALLWOOD:

first he did not pay too much attention to it and as time went on he began to pay more attention and today he knows I was one hundred per-cent right. They have gone into Labrador to be the first people in history to make a success of logging because no-one ever made a success of it, but no one. Bowaters did not, Bowaters went into Port Hope Simpson and they made a miserable failure. The Grieve Brothers went into Three Rapids Estate and made a miserable failure. John O. Williams and his son went in and made a miserable failure in Port Hope Simpson. Everyone that ever went into Labrador logging made a wretched failure of it and I said to Doyle again and again; "Do not think for one moment that you are just going to sail in there light-heartedly and make a success where everyone else has failed. You are attempting an absolutely gigantic job to produce half a million cords of pulpwood." It was only the other day, when Bowaters and Price cut no more than that between them right on this Island, and you are going to Labrador to cut half a million cords of wood. It is a gigantic task and you better get the best brains and the best skill that money can get anywhere, You better do that." He is now doing it.

He has gone through growing pains, lots of them. There have been loads of growing pains down in Lake Melville, loads of them. I have been there and I have looked at the operation. It is exciting, it is new and I have never seen anything like it, the modern equipment they have there, but the maintenance was appalling. They had some of the best machinery that money could buy anywhere in the world and the maintenance of it was something appalling, until they got a man here from St. John's and put him down in charge of maintenance. A tip-top man, I understand, but I forget his name now, picked him up here in St. John's, They found him and recruited him here. He went in and he is doing a slam-bang job.

MR. EARLE: He was from Bell Island.

MR. SMALLWOOD: From Bell Island was he? What is his name?

MR. EARLE: His name is Fred Churchill.

MR. SMALLWOOD: Fred Churchill, and he is doing a first-class job. Obviously, if you put some millions of dollars, they have three or four million dollars worth of mechanical equipment in there, three or four millions, and if you put that in there and do not keep it completely efficient; what is going to happen? The same thing as would happen on a road job. If you do not keep your mechanical equipment in good shape, what is going to happen? You will have breakdowns. A week, a machine is down for a week and no production for that week and so you have to have tip-top maintenance, and so you have in a logging operation that is heavily mechanized, with sophisticated, efficient machinery. The machine becomes a heap of junk if it is not in condition, and so they failed miserably on that but I think they probably got that ironed out.

One thing and another has happened. It is a gigantic undertaking. It is gigantic. Now there are people with no sympathy for it. In their secret hearts they are hoping it will fail. It is hard to believe. I know the hon. gentleman who is shaking his head is not one of them. I know he does not hope it will fail. In his heart he hopes it will succeed and any decent Newfoundlander hopes like anything that it will succeed, but there are those who would shed crocodile tears if it failed while secretly they would be charmed and delighted beyond words. Now I want it to succeed. I want that logging operation to succeed, to support that great mill in Stephenville, so that that great mill can go from one thousand tons a day, which is what it will start to make, to two thousand tons a day. I want it to go to two thousand tons a day. I would like to see that in the next eight or ten years and I think it can because they are going to turn out a tip-top quality.

By the way, it will interest the Committee to know that there is another mill, of indentically the same size, as the one in Stephenville, now under construction in the United States. I will not say anymore than that except that it is in the United States and it is costing thirty million dollars more than the one in Stephenville. Identical mill, making identically the same

MR. SMALLWOOD:

product in the same quantity and the same quality, the same product exactly, and the same amount, and it is costing thirty million dollars less. The time will come when that name will be named, so there is no point in naming it now, perhaps there is no point in mentioning the fact at all. The Minister, I know the Minister is worried, as I am, as all of us are, over this logging venture in Labrador. It is a gigantic venture, as the hon. member for St. John's West said, half a million cords, he is wrong; if he adds three hundred thousand to it.

Assuming the wood is there, to stand, to sustain a cut of eight hundred thousand cords a year, and I think it is there, it is going to take ten or fifteen years, I would say, for them to get the degree of efficiency in logging operations to be able to produce eight hundred thousand cords a year. They are going to have a sweet job on their hands to produce five hundred thousand cords a year. I mentioned it in my Budget Speech. I said they have to cut enough wood this year, 1971, and bring it and store it at Stephenville, to allow them to start production next spring and have enough to keep going until next year, when they can bring in next year's wood. They have to have -

AN HON. MEMBER: (Inaudible).

MR. SMALLWOOD: No, they will start producing about June next year, producing paper about June month. Well they will have to have enough wood on hand for June and July, and probably July or August the wood will start coming down again from Labrador and build it up. But they have a job on their hands to have enough wood cut and brought to Stephenville ready for the chip mill, to allow that mill to start in June of next year and turning out a fantastic quantity of paper and chewing up a fantastic quantity of wood. The only thing that really gives me concern about that great project is the woods operation in Labrador and, believe me, woods operations in Newfoundland or Labrador, either one, but especially Labrador, for the next five years, woods operations are going to be a precarious thing, costly and precarious both, and the cost will come down as the efficiency goes up.

MR. SMALLWOOD:

They were cutting three, four hundred cords a day, they were cutting one hundred cords a day, they went to two or three hundred and they finally got it up, I think, in the latter end last season, to eleven hundred cords a day, which is the beginning. That is not enough, but it is better than two or three hundred cords a day. They have to get it up, as the hon. gentleman said, from St. John's West, the know-all, the wise one, the profound mind who knows everything about everything, There is nothing that he does not know, There is no topic that can come on the floor of this Chamber but he is up on his feet giving the last word of wisdom about it. Look at the grins, they are bored as much as we are bored. They are all bored over there. He, who knows everything about everything also told us that it is going to be a sweet job to produce five hundred thousand cords; without that three hundred thousand cords, I do not think they are going to be able. As a matter of fact, I said to Doyle, a month or two ago, the last time he was here, I said; "John, look for God's sake forget your crazy idea of exporting pulpwood. You are going to have a sweet job on your hands to cut enough to keep that mill going."

Mind you do not see this, and this is not impossible, as I have said to him; "if you do not get enough from Labrador you are going to have to get wood." They may have to bring it in from Nova Scotia, they may have to bring it in from New Brunswick, they may have to bring it in from Quebec, until their cut is sufficiently great and their operation is sufficiently efficient and smooth that they will not need to do that. I would not be too surprised if for a year or so - it has been done. Bowaters did it.

AN HON. MEMBER: (Inaudible).

MR. SMALLWOOD: Well, I do not want to see them drawing on wood on this Island. I think the two paper mills we have and the one we are about to have on the Island, newsprint mills, they are going to need all the wood that is on this island and even with the most modern techniques and woods roads and forest improvement and everything else. When it is all done, I do not think

MR. SMALLWOOD:

that the mill in Stephenville should draw much, unless it be hardwoods, because with linerboard you can use up to twenty per-cent, twenty per-cent of your wood can be hardwood. So if there are stands of birch or any kind of hardwood around and there are fairly large stands, a deal can be made under this new arrangement we have, where the Crown controls the cutting, lays down the policy. The Crown may say twenty per-cent of the wood in Stephenville mill will be birch cut on the Island. That may have to be, because, believe me, half a million cords a year is a gigantic amount of wood to cut, haul, load aboard ships, bring down to Stephenville and unload at Stephenville. That is a gigantic job. It is not impossible but it is not easy and it may take two or three years to get it working smoothly.

In the meantime, I know that every mishap they have down there, every accident, every stupid thing they do, every foolish thing they do will be magnified to make it look like the Government are fools again, we are a pack of fools. You know, a pack of fools, we should have known.

AN HON. MEMBER: (Inaudible).

MR. SMALLWOOD: Well, going down there and staying down there is a matter entirely of housing and if you pay loggers a good rate, if you enable loggers to earn good pay, Mr. Chairman, and it has to be good pay, it has to be exceptionally good pay for a man to start, say at thirty years of age, twenty-five or thirty years of age, and take on him the burden of a house that he is to pay for out of logging. He has to have good pay and the house must not cost too much. There is your problem, to get housing in Happy Valley, of a reasonable cost, to get housing that is good, efficient, comfortable, at a reasonable cost. We have sweat blood over that, to try to find a way.

Do you know one thing I did, Mr. Chairman? I rang the Russian Ambassador, the Soviet Union Ambassador, in Moscow, and I said; "Tell me about these gigantic helicopters that you are producing in your country today that will take a whole house, lift it up and carry it and take it one hundred or



MR. SMALLWOOD:

a thousand miles away?" The idea was for a fleet of those great helicopters to come, They would rent them, They would not be bought, They would take on the job of doing a transport job. They would go into Stephenville and they would lift up a house, lift it up on slings, lift it up, go down, drop down at St. Anthony, and refuel and then go on and drop the house, almost on to the foundation, in Happy Valley. It did not work. The tonnage, we got the weight of the houses and they could not quite do it, the helicopters were not quite strong enough.

Now we got prices on ships, shipping by boat.

AN HON. MEMBER: (Inaudible).

MR. SMALLWOOD: No, they want the houses now, They wanted them last fall. There was an order placed for, I think, one hundred to start with, and I think they have eight or ten down. I do not know quite what number but they have a small token number down there. The houses are lying there now in Stephenville, waiting to go. If you cannot take them down by helicopter, you have to wait for navigation, to take them down by boat, and housing is going to be an absolutely excruciating problem. Yet no housing no logging, no logging no mill, so it may boil down to the housing. It may boil down to finding some way, getting men, good men who will go there, give them good schools, give them good hospitals, give them good conditions to live under and for their families to live under, so that they will stay and work and earn money. If they do not get those conditions there, they will get them somewhere. If you are going to get them down there and stay there and build up a nice community, you have to give them a nice community to live in and that is largely a matter of housing.

MR. MURPHY: Will the houses be assembled in groups, prefab?

MR. SMALLWOOD: Yes, well the houses are built in two pieces. Now what you do is mount them on a trailer and you tackle them on to the body of a truck and you tow them to the job and you take the trailer back and you tow

MR. SMALLWOOD:

half a house, because they are twelve feet, twelve and twelve are twenty-four, by say forty, the size of a house. So they are twelve feet wide. You can bring them along any of our highways on a trailer and if you could lift it up with a helicopter, one half of a house and go on, but evidently it is not quite practical, not quite.

MR. CROSBIE: You know, Mr. Chairman, if you are long enough in this House it is funny how you hear your own words repeated back to you. All I am going to say about the Javelin situation, as in the Resolution on the Order Paper, is this; that the problem of housing I remember raising in this House three years ago. The hon. the Premier said there were going to be twelve hundred loggers down in Labrador. I pointed to the E. and B. Cowan study and I said there is not one sentence in that feasibility study that shows anywhere that there is going to be any money spent on bunk houses or houses for loggers. The answer then given in this very House was that they do not need money for bunk houses or housing as there are enough unemployed in Labrador to take all these logging jobs. So I said there are not in Happy Valley, Goose Bay region enough loggers to take those jobs. There are men there without jobs but they are not loggers, they have never been in the woods before and they cannot do it.

Now today the Premier is telling us about housing and this is the great problem and so on, Now Mr. Doyle is not putting up this money for housing but the fact remains that the problem is housing for the loggers, that this is the problem, housing for the loggers down in the Goose Bay area - and we will have some more on that tomorrow. But it is amusing to hear these problems, that were pointed out in this House three years ago, now quoted back to us, Mr. Chairman, by the Premier, who refused to listen to them three years ago. It was trash, it was this, it was that, You were trying to stop progress, You were the worst type because you mentioned these problems and asked for the answers, and here is the project underway, Newfoundland committed for \$100. million \$75. million of which we are guaranteeing. These are the problems:

MR. CROSBIE:

They have had trouble with the logging, they have had trouble with the housing, These are the very things that were pointed out in this House three years ago. Then we got the hon. the Premier up, saying the childishness, know-it-all. Anybody who speaks in the House, except him, is a know-it-all, How he hates to hear anyone else speak in this House on anything, but himself. Know-it-all! What does the hon. the Premier think he is and has been for the last twenty-two years? But there are some things that he has not known.

MR. SMALLWOOD: He beat the stuffings out of that big fat fellow at the convention. I am the one who did that.

MR. CROSBIE: The poor, little fellow from Gambo.

MR. SMALLWOOD: Right!

MR. CROSBIE: Yes, and he is going to be a real poor, little fellow.

MR. SMALLWOOD: Right and I licked the big two hundred pounder, the townie from St. John's, and what a trimming I gave him.

MR. CHAIRMAN: Order please!

MR. CROSBIE: Come on with the personal abuse. No, let the personal abuse flow, Mr. Chairman. We are used to it.

AN HON. MEMBER: Carried.

MR. CROSBIE: It is not carried, not on your life.

MR. SMALLWOOD: Not while the bully is around.

MR. CROSBIE: Not at all. Now, Mr. Chairman, can I address myself to this vote the Minister mentioned? We will leave the Premier and his childishness, we will leave the little fellow from Gambo alone, stewing over in his corner.

MR. CHAIRMAN: Order please!

MR. CROSBIE: I want to ask now about the Commercial Forest Corporation, the little fellow is likely to explode in a minute. The Commercial Forest Corporation; in a statement of February, at the Disarmament Conference, at the end of January, I mean, not the Disarmament, the Development Conference, the Minister made a statement on forestry, Mr. Chairman, In that statement he announced

MR. CROSBIE:

that forestry spending would top \$30. million and he said that the Government intends to treat the entire forest of the Province as a single management unit and a new corporation, the Commercial Forest Corporation, is to be set up to take control over all logging operations and all transportation of pulpwood. The Corporation will have representatives of Government, pulp and mills and the saw mill industry on its Board of Directors. Now, Mr. Chairman, I would like to know, is the Commercial Forest Corporation now organized and -

MR. SMALLWOOD: No.

MR. CROSBIE: We are getting the information now, she is cutting out. The answer to that is no. Then when will the Commercial Forest Corporation be formed?

MR. SMALLWOOD: We will let you know when it is done. We are happy to tell you when it is done.

MR. CROSBIE: We are getting the genuine stuff here this afternoon.

MR. SMALLWOOD: Genuine?

MR. CROSBIE: Genuine. Has the Government decided who the representatives of Government, the pulp and paper mills and the saw mill industry will be?

MR. SMALLWOOD: No. Here are your answers.

MR. CROSBIE: It is terrific. Now let me see what else I was going to ask. The Minister noted that final agreement has yet to be reached with the pulp and paper companies for the new programme of forest development. However, he said; the companies have responded, in their responsible and co-operative spirit. Now that agreement, I think the Minister said, has still not been reached. What is the Minister looking for in the agreement? What kind of agreement has to be reached?

MR. CALLAHAN: I will let you know. I have already said this afternoon that when the agreement is reached I will be very pleased to tell the House.

MR. CROSBIE: Well, you see here is the House of Assembly, Mr. Chairman,

MR. CALLAHAN: Nobody objected to it.

MR. CROSBIE:

That passes the Legislation for this Province, that discusses, one expects, the policy for the Province, and there has been a forestry policy announced by the Government and these are the estimates of the Forest Division of the Department and when we ask, what is it has to be agreed with the paper companies and what are the points of contention, what money will this involve the Government in? Do they have to pay the pulp and paper companies for their concessions? How does the Government have to be involved? What are we told? We are told, no, that this is not going to be discussed in the House, and this is a year, Mr. Chairman, in which there is going to be a general election. The public have to decide in the final analysis.

MR. SMALLWOOD: There is an election, is there?

MR. CROSBIE: I think there is an election this year. Well, the Minister now says that he cannot - You see all this information that this House has now was given for the public of Newfoundland, in January 1971. The Government did not even wait to give the information to the House. They did not want the television cameras. We would have welcomed the television cameras, in here in the House, so that the public could have seen both sides of this being debated, yet all they saw on that conference was the Minister being televised while he read his statement. Now when we ask questions here we -



MR. CROSBIE: That is why this hon. gentleman was over in Hong Kong, he could not stand the thought of it. Putting on two channels and seeing the minister on both.

MR. CALLAHAN: Come off it now, do not be dishonest regarding this.

MR. CROSBIE: Anyway the minister cannot tell me any more.

MR. CALLAHAN: The minister does not intend to.

MR. CROSBIE: The minister does not intend to. The minister will not, cannot. All right, then I will not ask any more. That is all I wanted to ask, if we cannot get any information.

MR. HICKMAN: There is one question I would like to ask, Mr. Chairman, on this forest management, I can see where this can work insofar as Bowaters and Price Brothers are concerned, because their holdings are in the Province.

MR. CALLAHAN: Their what?

MR. HICKMAN: Their timber holdings. Their cutting rights are on the Island of Newfoundland. Now if we treat the Forestry Report, the Rousseau Report, as dealing with forests : in its entirety, both on the Island and in Labrador -

MR. CALLAHAN: That is the first principle.

MR. HICKMAN: And take that as first principle. How does all this management benefit Mr. Doyle? We heard of the problems that Mr. Doyle, the admitted problems that Mr. Doyle is now facing.

MR. CALLAHAN: Inaudible.

MR. HICKMAN: Now let me finish, then you can tell us what the advantage or disadvantage or how you will eliminate some of the problems that are now being faced firstly, and will be faced by any third mill, should it ever get off the ground, of find enough wood in Newfoundland to sustain it and, if it cannot, then it obviously has to go to Labrador. Has any assurance been given, to the two existing paper mills here, that they are not going to be directed by this management firm? That they are going to have to allow Mr. Doyle to go in and cut on their holdings, when really there is nothing to exchange with them, or alternatively, the same can apply to Mr. Shaheen? He has holdings in Newfoundland which I am told are strategically located from the point of view of the operation of the existing mills.

MR. HICKMAN: Surely one of the real considerations of the two existing mills will be that they not be placed in a position where any Government can direct them, or a minister, to cut wood or to permit wood to be cut on their holding to benefit a third mill or a fourth mill, to take care of emergencies that arise there or lack of know-how or lack of anything else, to the detriment of these two mills. This is why to me the whole plan sounds so academic, so plausible. It is a sort of a thing you would read about -

MR. CALLAHAN: The trouble is it sounds too plausible.

MR. HICKMAN: That is right, it sounds too plausible to be true.

MR. CALLAHAN: It is too good.

MR. HICKMAN: It sounds like Grimm's Fairy Tales, rather than a realistic approach to the harvesting of the wood that we have on the Island. Obviously, one of the main reasons, (it has been said here a dozen times today) why Bowaters-Newfoundland has to cutback and Bowaters-Mersey does not, is the high cost of harvesting the existing stands of Bowater wood in Newfoundland.

MR. CALLAHAN: That is only one of the reasons.

MR. HICKMAN: My understanding is that <sup>is</sup> the real reason why Bowaters have to cutback now.

MR. CALLAHAN: They cannot sell the paper.

MR. HICKMAN: Oh, it is not a question - they can sell paper. Of course, they can sell paper. Do not be so silly. They can sell paper, Mr. Chairman, if the costs are competitive.

MR. CALLAHAN: Well, tell Bowaters.

MR. HICKMAN: But, the costs have to be competitive and the reason why they can sell Liverpool, Nova Scotia, paper and they cannot sell Corner Brook paper, is that they can sell it cheaper coming out of Nova Scotia -

MR. CALLAHAN: Because the Liverpool newsprint is owned by one of the biggest newspapers in the United States.

MR. HICKMAN: No, Mr. Chairman. Well any way, you know the manager.

MR. CALLAHAN: I know at least as much about Corner Brook, as the hon.

MR. CALLAHAN: gentleman knows.

MR. HICKMAN: Oh, you know twice as much about Corner Brook.

MR. CALLAHAN: Or at least twice as much as the hon. gentleman knows.

MR. HICKMAN: Twice as much about Corner Brook, as I do. But we have listened to an outline today of what I say is a fairy tale. It will not be implemented any more than that great big sign we had up here in the House two years ago, when all the wood was going to be acquired by the Crown, and then doled out to the paper companies, that the Crown saw fit.

MR. CALLAHAN: The hon. gentleman hopes. He hopes.

MR. HICKMAN: No, no, Mr. Chairman. What my hope is, that nothing will be done to make the cost of harvesting wood and producing paper at Grand Falls and Corner Brook any higher than it is now. And if Mr. Shaheen or Mr. Doyle can come up with a mill and operate it profitably, nobody in Newfoundland will be happier than I will be to see it occur. But, what I do say is that nothing should happen to place the two existing mills in a position where they have to suffer in order to make the other two viable. I believe that is the crux of the whole debate on forestry management under this heading.

You know, we have heard so many plausible arguments, going around and around the bush, but so far we have not had a fact come out here this afternoon, except that it is somewhere in the minister's mind, but he will not tell us what is on his mind.

MR. CHAIRMAN: Shall I carry? Carried.

MR. MARSHALL: No, it will not, Mr. Chairman, before we go on, I ask the minister this morning.-

MR. SMALLWOOD: What does he mean; "asked the hon. ministers?"

MR. MARSHALL: Inaudible.

MR. CROSEIE: The hon. member has the right.

MR. HICKMAN: The hon. member is not under seige.

MR. MARSHALL: Mr. Chairman, if the hon. the Premier wants to speak, let him rise to a point of order. I would like to bring up this point on

MR. MARSHALL: forestry again, as I made this observation on wildlife. The extra assistance in overtime, I wonder whether the hon. minister has that information yet? Because it is reduced to \$150,000 from over \$300,000 two years ago, \$180,000 last year. That is a sizable reduction. I would like to know whether the reduction is caused by the fact that the more permanent posts have been created or whether because there is a curtailment in some programme or whether it is because there is a cut down in the budget?

MR. CALLAHAN: What vote is it?

MR. MARSHALL: This is on salaries 812-01, Page 34, of your Salary Estimates.

MR. CROSBIE: You have a new book now to go by.

MR. CALLAHAN: What is the question?

MR. CROSBIE: I want to know whether the extra assistance in overtime, that is provided down at the bottom, the very bottom, \$150,477. Do you see that amount there? What is the explanation? Why is it one-half of that which it was two years ago?

MR. CALLAHAN: I have to find it, Mr. Chairman.

MR. MARSHALL: It is page 34 of the Salary Estimates.

MR. CALLAHAN: Well, we are really jumping around.

MR. MURPHY: Right down in the second last line.

MR. CALLAHAN: Oh, on the Salary Estimates? Yes, Mr. Chairman, it is because of the conversion to permanent status of seasonal employees who have worked with the service, some of them for as long as, I think, twenty years, seasonally, and had always been shown as temporary or seasonal assistance, and they are now reflected in the salary votes as permanent employees.

MR. CHAIRMAN: Shall the item carry? Carried.

On motion items 02-01 through 03-03 carried.

MR. CROSBIE: 04, Mr. Chairman? Protection against forest fires? I mean that is not the whole amount for forest fire protection?

MR. CALLAHAN: No it is not.

MR. CROSBIE: The rest is under aircraft.

MR. CALLAHAN: That has to do with operating costs in fire situations which arise. It includes wages of temporary firefighters, food and rations, vehicle equipment and building maintenance, gasoline and oil, operating

MR. CALLAHAN: costs and all miscellaneous charges in connection with forest fires.

This is an average budget, I might say. An average amount, which could be up or down in a specific year, as the average over the past number of years.

MR. CHAIRMAN: Shall 04 carry? Carried.

MR. MARSHALL: 06, Mr. Chairman, this is a grant of \$1 million for which there is an appropriation-in-aid of \$1 million, I presume that applies to it. Now this involves forest conservation and the Report of the Poyal Commission notes that the control efforts should be strongly intensified and the Commission was urged to recommend large financial assistance by the Federal Government etc. Now does this vote relate to insect control in the trees etc. Forest Conservation, it does not! Could the minister -

MR. CALLAHAN: It does not refer at all to insect control, Mr. Chairman, it reflects a ten year programme of forest improvement, which we expect to spend. partially reforestation, we call it forest improvement, because it has to do with numbers of things, including thinning, salvage, control burning, fertilizations, seeding any number of components that altogether will provide obviously increased yield from forest, plans in the area that we expect. The area laid out, in which we expect to carry out the work this year, is some 23,000 acres in Eastern, Central and Western Newfoundland, Not in Labrador, for the obvious reason that at this point in time, it is not possible to have a major forest improvement programme. We have to get into those forests and start to develop them first.

This is based on the agreement that I referred to earlier, being negotiated and finalized now with the Government of Canada, whereby we expect to have a ten year forest-improvement programme, valued at \$10 million, and a fifteen year access road programme, probably running to about \$25 million.

MR. EARLE: Can the hon. minister advise the House what has been happening about the huge burnt over area of Bonavista North, has that been cleaned up? If so is the regrowth taking place to any extent? What is the affect there now after a number of years? Is it coming back into merchantable timber or what is happening in that particular area?



MR. CALLAHAN: Well it has not been long enough to come back into merchantable timber. My understanding is, it is regenerating with spruce, which is the usual pattern in a burn of that nature. Some of it at least, some of it has been badly burned and the soil is very thin and it is not very good. But, I would like to get more information before I go into any detail on that.

MR. MYRDEN: Mr. Chairman, would the minister mind letting us know whether this is all crown land that they are going to reforest? All crown lands?

MR. CALLAHAN: No, it is not all crown land, Mr. Chairman, it is again, in keeping with the principle, we are referring to the total forest of the Province. We intend to get into forest improvement and access road construction wherever it is required to take advantage, to the highest possible degree, of the situation that exist, be it in terms of harvesting or in terms of improvement or in terms of regeneration.

MR. MURPHY: That is \$1 million voted by the Federal Government.

MR. CROSBIE: This is \$1 million. This is an increase from last year, \$983,000. This is an increase in the vote from last year.

MR. CALLAHAN: There was not any vote last year.

MR. CROSBIE: Forest Conservation and Development shows \$17,600.

MR. CALLAHAN: Oh, I am sorry, an increase.

MR. CROSBIE: So it is increased \$999,000 and something or other.

MR. CALLAHAN: Well there was no Federal programme last year. This is a new agreement. There was no agreement last year. This was strictly Provincial funds.

MR. CROSBIE: This forest access roads - is this the contribution from Canada capital? It is down below. \$1 million in the appropriations-in-aid. The only contribution shown by Canada is \$1 million down below here.

MR. HICKMAN: Forest inventory \$800,000.

MR. CALLAHAN: Well that is another matter.

MR. CROSBIE: Pardon?

MR. CALLAHAN: No, the \$1 million capital is for access roads.

MR. CROSBIE: Right. But this vote here 06-

MR. CALLAHAN: This is for Conservation and Development.

MR. CROSBIE: Right. Exactly that is what I am trying to get at. Now is there a Federal contribution for that? Because it is not shown in appropriations-in-aid. The appropriations-in-aid shows a contribution from Canada of \$1 million, but that is for forest accessroads. Right? So there is no contribution from Canada for Forest Conservation and Development, at least there is none shown in the estimates. So this is \$1 million of Provincial money.

MR. CALLAHAN: If it is not shown, it should be shown, Mr. Chairman.

MR. CROSBIE: Well then, I think that is quite <sup>an</sup> important error, if it is not shown. It is \$1 million less revenue that the Government would show. So could the minister have that checked.

MR. CALLAHAN: Yes, Mr. Chairman, if it is not shown, it should be shown as a straight appropriation-in-aid.

MR. CROSBIE: Mr. Chairman, in addition -

MR. CALLAHAN: You can let that particular item stand, I will check the appropriations.

MR. CROSBIE: Right. But in addition, I just want to find out, there is going to be \$1 million spend on forest conservation and development?

MR. CALLAHAN: That is right.

MR. CROSBIE: That sounds like an excellent idea. Now who is going to do the work? How is the minister going to have the work done? Who is going to do it? Is it going to be done by Government employees? Or is it to be contracted out? Just exactly how is this going to be carried out?

MR. CALLAHAN: It is to be done under Forest Service direction, Mr. Chairman, in twenty-three separate areas. It is to employ something in excess of 300 men. It is to involved 23,406 acres. We have all the work planning done and we will start as soon as we have money to spend. Of course, it is when the estimates are through and the Appropriation Bill.

MR. CROSBIE: And all this money is to come from the Government of Canada?

MR. CALLAHAN: Under the formula that now pertains which is, I expect it will be fifty percent grant, fifty percent long-term loan on the basis that there will be pay-off into the economy, the old DREE formula which is being used on access roads at the moment.

MR. MURPHY: Mr. Chairman, just one thing on this very interesting subject - is in connection with a leaf I got in the mail from British Columbia Forest Products, that in 1971, after twenty-five years of operation, they will be planting their twenty-fifth millionth tree. I am just wondering, for this replanting or reforestation, have we a nursery now, Mr. Chairman, where we have these seedlings? I see here that special selected seedlings are usually two years of age and grown in nurseries from seeds collected by company crews. Is this an operation that ....

MR. CALLAHAN: We have had nurseries, there have been our own and there have been private company - Price have had a nursery, I think. Bowaters had one at one time. We have a small one on Brookfield Road. We have one at Mount Pearl. At Salmonier we have done this work and this really means reviving these nurseries and enlarging them because previously they really were for experimentation purposes, never being done on an economic or commercial or large scale basis. So that part of the expenditure this year, I think in the amount of \$124,000, is for nursery establishment or re-establishment and about one-third of the total vote is devoted to this aspect of the work namely; planning, seedling, and nursery establishment or re-establishment and other matters pertaining hereto.

MR. CROSBIE: Mr. Chairman, I suggest that this vote should stand until we find out about the \$1 million in appropriations-in-aid.

MR. CHAIRMAN: Shall 06 stand?

MR. CALLAHAN: It is all right with me, Mr. Chairman.

MR. CHAIRMAN: Shall 15 carry?

MR. IYRDEN: 15, Mr. Chairman. Would the minister mind explaining the \$900,000, whether this is a continuation of the forest inventory right throughout the Island?

MR. CALLAHAN: It has another three years to run, to 1974. This year we will be doing forest inventory in Labrador, and intensifying land capability sector somewhat in the Island, Basically, in the Island, we will be getting into more detailed inventory than we have done up to date, in light, for example, some of the recommendations of the Royal Commission. I think I said we will intensify land capability on the Island, I should have said that we would take some of the emphasises of land capability in Labrador, for recreational purposes, At the moment it does not seem to be an urgent need, but the matter of intensive forest inventory, as such, is intensive need - so there has been some allocation from us, or reallocation.

MR. CHAIRMAN: Shall 15 carry? Carried.

MR. MYRDEN: 16 - Forest Fire Equipment, Mr. Chairman. Why such a big drop in this vote?

MR. CALLAHAN: Well, we brought a lot last year, and we did not use it because we had less than 20,000 acres burned. A very small loss season. So we do not need to buy it again this year.

MR. MYRDEN: You do not have to replace equipment?

MR. CALLAHAN: That is right.

MR. CHAIRMAN: Shall 17 carry?

On motion 17 through 23 carried.

MR. EARLE: Mr. Chairman, 26 - Forest Insect Control, there is only a token vote here this year. The programme is finished, I presume, Has it been successful and -?

MR. CALLAHAN: I am sorry, I cannot hear.

MR. EARLE: Forest Insect Control, \$100 token vote only. Has this programme been completed? Is it finished? Is it successful? Other question, was there any detrimental effect from the spraying of poisons on any wildlife or anything of that nature? Did anything develop which caused the programme to cease or is it just the fact that the thing has been successful and there is no further need of it?

MR. CALLAHAN: The matter of forest insect control is never really finished, Mr. Chairman. The research and experimentation phases goes on, For example,

MR. CALLAHAN: in respect to the balsam woolly aphid, for which there is no known control factor at the moment, whether chemical or otherwise, the looper spray programme of two years ago resulted in about well over ninety percent mortality, with the result that we do not have this problem now, but it could develop in a cycle which is seven to ten years from now. But at the moment there is nothing we can usefully do along this line, so the vote is there as a token vote.

MR. CHAIRMAN: Shall 26 carry? Carried.

MR. CALLAHAN: There was no effect, I am sorry.

MR. CHAIRMAN: Shall 812-07 carry?

MR. CROSBIE: 07 this is going to be an expanded programme, of forest access roads. This will be sub-contracted out and so on, as it has been in the past. Are any of these roads for the White Bay North area, Roddickton and in around that area, in that block of wood up there, I forget the name of the block. The Mooney Block.

MR. MYRDEN: Mr. Chairman, would the minister mind letting us know if just some of the access roads will be on land now owned or operated by Bowaters and A.N.D. Company?

MR. SMALLWOOD: Why not?

MR. MYRDEN: I would just like to know, because I have no idea -

MR. SMALLWOOD: The minister has already said, all the land in this Province that has forest, regardless of the title.

MR. MYRDEN: But, Mr. Chairman, this has been a great expense to the paper companies. I was just talking to a gentleman there, he was telling me some of the facts about transportation. Now, according to him, some of the transportation costs have all gone skyhigh, because of these access roads.

MR. CALLAHAN: All the forests are now treated as a single unit.

MR. MYRDEN: Right. In other words the paper companies will not be building or paying for access roads?

MR. CALLAHAN: That is the principle, yes.

MR. CROSBIE: Can we adjourn on this one here, Mr. Chairman, we want to ask some other questions on it?

On motion that the committee rise, report progress and ask leave to



sit again.

Mr. Speaker returned to the Chair.

MR. CHAIRMAN: Mr. Speaker, the Committee of the Whole on Supply have considered the matters to them referred and directed me to report progress and ask leave to sit again.

On motion report received and adopted - Committee ordered to sit again presently by leave.

MR. SPEAKER: It now being 6:00 p.m. I leave the Chair until 8:00 p.m.



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# **VERBATIM REPORT**

**TUESDAY, MAY 11, 1971**

**SPEAKER: THE HONOURABLE GEORGE W. CLARKE**

The House resumed at 8 p.m.

MR. CHAIRMAN: Order!

HEADING VIII - MINES, AGRICULTURE AND RESOURCES (Page 31)

MR. J. C. CROSBIE: On 812-07, Forest Access Roads, I think the minister was saying that these forest access roads will be constructed not just on Crown land but other land as well. We were wondering whether the minister could say where this money is going to be spent this year? what roads? what locations?

HON. W. R. CALLAHAN (Minister of Mines, Agriculture and Resources): Mr. Chairman, the programme, it is quite a lengthy list actually. It involves 102.4 miles, I think it is. Anyway it is roughly 102 miles of access road in virtually every area of the Province regardless of actual ownership.

MR. CROSBIE: Could we have a copy of that?

MR. CALLAHAN: Oh, yes, I think a copy could be made available. I do not have a copy to distribute at the moment, Mr. Chairman, but I can tell the committee that in virtually every area of the Province - somebody referred to White Bay, there are included Roddickton and Main Brook. There are about thirty-five separate road projects. I can certainly make this available. I cannot do it tonight. I have no facilities. But it can be done.

MR. CROSBIE: Would this new policy mean that the pulp and paper companies would no longer have to build, at their own expense, logging roads?

MR. CALLAHAN: That is what it would mean, yes.

MR. CROSBIE: That would save them a considerable amount of money. Is this part of the negotiations?

MR. CALLAHAN: Well the general DREE formula, Mr. Chairman, is that the Department of Regional and Economic Expansion will make funds available, usually on a loan and grant basis, fifty per cent grant. At least this was the experience last year in the first year of it. It is fifty per cent grant and fifty per cent what is referred to as long-term loan. I suppose really it is long-term loan but what it means is that they will make available, at this point in time, 100 per cent of the funds, on the understanding that there will be a sufficient economic pay-off so that the 50 per cent will come back in some way to the Province, to the Treasury. I do not

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know what the - maybe, when we get on the estimates of my colleague, the hon. Minister of Finance, he can explain what the repayment requirements are. I frankly do not know. But it has to be shown in the feasibility that the expenditure totally and particularly in respect of the loan half will be recovered by the Treasury of the Province. This guarantees the economics of the project. On that basis the money is made available.

Now it does not, I understand, have to be repaid by the users as loan funds. What they have to do is have viable projects which employ people which, in turn, turn back funds in one way or another. It may be, as I have said, I do not want to go into too much detail, because we are negotiating on a number of points. It is a complicated negotiation. But to illustrate ; at the moment the Province is responsible for about eighty-five per cent, that is to say the Government of the Province are responsible for about eight-five per cent of the total expenditure on forest-fire protection. It applies mainly to aircraft. The two operating paper companies have been paying, I think, they started at forty per cent and now pay, each of them, \$50,000 a year. Other amounts are collected in other ways. Basically, the Government pay for eighty-five per cent of protecting all of the forests. Now that has to be rationalized. One way in which the burden of cost on the Province for protection will be lessened is by some kind of fire protection charge or assessment, ( I hesitate to call it a tax ) on all of the users.

Now this puts the Province in a better position financially and it also occurs in a situation where, because the operating companies, the users, have lesser costs because they have roads built for them, in effect, they are in a better position to pay these assessments. So it is a very complicated thing. What it means really is that the Province and the industries are in a better economic position. They are more viable. We discussed it this afternoon. They are more competitive because in our situation, unlike most of the provinces, we have not had developed transportation, developed access, Mr. Chairman, as other provinces have had for tens and tens of years.

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So, this is special help to create the same kind of climate for development in this Province as exists in most of the other provinces to a far higher degree, relatively speaking. What it really means is that the Federal Government will fund it, on being shown that it will create viable enterprises which will in fact improve the total economy of the Province. This is the general formula.

MR. CROSBIE: Mr. Chairman, this new programme of the Government, taking over control of the forests with considerable financial help from the Government of Canada, is, in effect, the Government of Canada have agreed to subsidize or at least to spend considerable money on the development of the forest industry in this Province, which is just exactly what the Premier said this afternoon one should not even think of, that the Government of Canada are going to subsidize the pulp and paper industry.

MR. CALLAHAN: That is not so.

MR. CROSBIE: What the Government of Canada are doing, as I understand from what the minister says, that in this Province up to now the two pulp and paper companies had to spend their own money on their own logging roads, on their own limits. They have had to do that for the last fifty or sixty years. As part of the new programme, they will no longer have to spend money on their own logging roads. That money will be spent by the Provincial Government or this new Forest Corporation. Where they make a contribution now to fire fighting, they will no longer make a direct contribution to fire fighting.

MR. CALLAHAN: They will make a larger contribution.

MR. CROSBIE: They are going to be relieved of certain expenses. They will make a larger contribution. In return the Premier mentioned in this debate...

MR. SMALLWOOD: The hon. gentleman knows that the minister does not know.

MR. CROSBIE: Just listen to him.

MR. SMALLWOOD: He says that they are going to pay more.

MR. CROSBIE: Well I am coming to that. The hon. the Premier is never very free with information when he is being asked a question, but when someone else is speaking, he is interjecting, gassing away..

MR. CHAIRMAN: Order please!

MR. CROSBIE: Do not say order to me. It is the person who is interrupting that



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order should be said to.

MR. CHAIRMAN: Order please! This continuing of disorder in the Committee is not to be encouraged. The hon. member is speaking. Some hon. member interjects

He replies and then we get into a real altercation on that particular matter. It has nothing to do with the business before the House at all.

MR. CROSBIE: It is all my fault, because someone interjects?

MR. MURPHY: Sit down and let him finish the conversation.

MR. CROSBIE: When the hon. members opposite are finished, we do not want to disturb them. Now, Mr. Chairman, what this means is that the Government, through this new corporation, are taking over the roads, taking over the fire fighting and the costs of it and certain other costs. When the hon. the Premier said the other day that there is going to be a tax on forest lands in the Province, presumably in exchange for all of this, this relieving some of the burden on the companies, the Government are going to have their agreement to impose some kind of a tax on the forests. Because as the Premier pointed out the other day, Bowaters had concessions where they did not have to pay direct taxes in this Province, did not have to pay the income tax. So this is part of the negotiation that the minister is carrying on. All of this or a considerable amount of it, with the money to be supplied by the Government of Canada for forest access roads and for forestry conservation and development, which the minister says is a \$1 million contribution, All of this, Mr. Chairman, is subsidization by the Government and quite properly so for the development of the forest industry in this Province. This afternoon, when the Premier said that the Government of Canada could not subsidize the pulp and paper industry of Canada, he was talking through his hat. That is exactly what this programme involves.

MR. CALLAHAN: It is not.

MR. CROSBIE: It is a major...

MR. CALLAHAN: It is not.

MR. CROSBIE: If it not, why does not the minister and the Government outline what this new policy is? The minister has refused to answer questions. He says he can give no more information than is in the "Evening Telegram" there back in February at the Disarmament Conference. That is certainly what it appears to be. Who it will particularly favour will be the two new paper companies.

MR. CALLAHAN: That is not so.

MR. CROSBIE: The Javelin one at Stephenville..

MR. CALLAHAN: That is not so.

MR. CROSBIE: And Mr. Shaheen's third mill..

MR. CALLAHAN: The hon. gentleman knows better. He has heard it explained at least three times today. He persists in trying to mislead the committee and, I suggest, certain others.

MR. CROSBIE: If only the minister was so loquacious and explanatory when he was on his feet, instead of when he is interjecting. This is a policy that will vastly benefit Newfoundland Pulp and Chemical, if it ever gets going on its third mill, and the Javelin project, because they will not have to pay a cent for access roads, logging roads as the other companies did have to do in the past. They will not have to make a contribution. They will not have to make a contribution towards fire fighting.

MR. CALLAHAN: For their own purposes and not for public purposes.

MR. HICKMAN: Well what is the difference?

MR. CALLAHAN: If the hon. gentleman will sit down, I will explain it again.

MR. CROSBIE: The hon. gentleman is going to sit down in a minute.

Let us listen. No one is supposed to talk in this House but the hon. the Premier. Well those days are gone forever. So, Mr. Chairman, what is needed - now the minister has promised that he is going to explain what this programme involves.

MR. CALLAHAN: Again.

MR. CROSBIE: So the minister should explain what burden is going to be taken off the pulp and paper companies. He says he is entering negotiations - to what purpose? What are they aimed for? What kind of an agreement is being sought? What is

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the nature of the forest tax that the Premier is talking about? Does that fit in with the minister's programme?

MR. SMALLWOOD: It is the first I have heard of it.

MR. CROSBIE: Well the other day the Premier was up in the House saying that we are going to tax the mining companies and their minerals. We are going to tax the lands of the pulp and paper companies..

MR. SMALLWOOD: The hon. gentleman must be dreaming again.

MR. CROSBIE: Now the hon. the Premier did not say that at all.

MR. SMALLWOOD: No, that is right.

MR. CROSBIE: It was just our imagination.

MR. SMALLWOOD: No, just the hon. gentleman's imagination.

MR. CROSBIE: We must have been asleep and dreaming, when we were listening to, "Conversations with the Premier." Did you not hear that in the House the other day? That there was to be a new tax on the forest lands of the pulp and paper companies? That is what he said.

MR. SMALLWOOD: Back him up or he will get angry.

MR. CROSBIE: Bully Boy! Bully Boy! Now we will listen to the minister.

Come on Mr. Minister.

MR. CALLAHAN: Mr. Chairman, this afternoon, the question was raised here of a direct cash subsidy to Bowaters in Corner Brook to somehow enable the 140 men who are going to be laid off to be kept on.

MR. CROSBIE: Nonsense.

MR. CALLAHAN: That was the suggestion made by the Leader of the N.D.P. and broadcast on the radio and printed in the newspapers and raised here this afternoon. Now, Mr. Chairman, this programme has nothing whatsoever to do with the direct payment of subsidies to particular companies. This is a method and a mechanism whereby to consolidate the forests of this entire Province, both the Island and Labrador, to lower the costs of wood, whether it be to pulp and paper mills or to saw mills or to export operations or for whatever other purpose of forestry to enable a good multiple

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use access road system for other purposes including wildlife, fisheries and perhaps transportation generally. It is being funded or will be funded under an agreement with the Government of Canada in order to enable us effective public control of the forests of the Province. Now that will confer benefits on the entire forest industry. It will make our saw mills and our pulp and paper mills more viable and more competitive than they are at the moment. It will lower our wood cost from the position in which it now is, namely the highest in Eastern Canada, to perhaps something near the Canadian average. That is what the programme means. It is not what we discussed this afternoon, namely the payment or some vague reason that nobody can understand or explain of direct financial subsidies to Bowaters to somehow try to stave off the lay off that is coming in that mill. That is five times today, Sir.

MR. CROSBIE: Mr. Chairman, will the minister table the Forestal Report, the Interim Report of 1967, and any later report that they made?

MR. CALLAHAN: No.

MR. HICKMAN: Why not?

MR. CROSBIE: Because in that Forestal Report, it was stated that the Government of Newfoundland would agree, would agree that they would build all the logging roads that would be needed by Mr. Shaheen, so that all his wood would be available within one-half mile of a logging road, built to a standard that could carry trucks with heavy loads of wood, Trans-Canada standard. This was going to cost the Government of Newfoundland so many millions of dollars a year. Now the programme the minister has now described is a programme that is being developed so that the Newfoundland Government do not have to bear all those costs in helping Mr. Shaheen. That is what it is. Why cannot the minister agree to table that Forestal Report that was paid for by public funds? The Newfoundland Government paid some \$30,000 odd for it. Would the minister agree to table that? The minister said, before he stood

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up, that he was going to explain this new forestry policy. He did not explain it at all.

MR. CALLAHAN: I am tired and exhausted from explaining it. The hon. gentleman does not want to understand it, so why does he not sit down?

MR. CROSBIE: The hon. gentleman thinks he is capable of understanding the minister; if he speaks straight, but that is a quality the hon. minister has not discovered yet. We will get on to the Minister of Public Works. Do not worry.

What about 812-06 that was allowed to stand, Mr. Chairman?

MR. CALLAHAN: Mr. Chairman, the question was raised this afternoon on 812-03-06. There is to be an addition at the bottom in the Appropriations-in-Aid.

MR. CROSBIE: There has to be an amendment.

HON. E. JONES (Minister of Finance) Mr. Chairman, on behalf of my colleagues, I would like to make an amendment to 812-10-01, Contributions of Canada. I move that the amount which now reads \$1 million be changed to \$2 million and that the sub-totals for the various subheads and the grand total be adjusted accordingly.

MR. CROSBIE: Does this throw the budget out of whack or...?

MR. JONES: It is all in our favour.

MR. CHAIRMAN: Order please!

The motion is that Item 812-10-01, Contributions of Canada (Capital) be amended to read \$2 million. Carried.

MR. CROSBIE: That is \$1 million I found for the Government, Mr. Chairman.

MR. MURPHY: Mr. Chairman, a thought just entered my head, we do not discuss -



MR. MURPHY: Appropriations-in-Aid is not discussed in Committee. I wonder how many more million we are after missing on the way along?

MR. SMALLWOOD: You do not have to worry, we will pick them up.

MR. MURPHY: The great economist will get it.

MR. SMALLWOOD: Especially, if it comes from Ottawa.

MR. CHAIRMAN: Shall 814-01 carry?

MR. CROSBIE: Mr. Chairman, 813-03-01 is not carried yet, I do not believe, Waste Materials Dumping Sites: I assume these are the sites. you see, sites around the country, dumping sites around the Province. Is this is what the vote is for?

MR. SMALLWOOD: No dumping sites.

MR. CROSBIE: No dumping sites.

MR. CALLAHAN: No, there are some sites which the Government developed some years ago, Mr. Chairman, and we have some continuing responsibility until they are passed to municipalities.

MR. EARLE: Mr. Chairman, on that one, dumping sites. It has always been a bit of a mystery to me as to who controls these, and under whose regulations do they come? For instance, I came across a problem in one area where a dump had become unsightly and vermin-ridden and so on, and somebody came along and told them to close it down. The fact was that there was no other dumping site in the area and the cumulation of filth and garbage and so on piled up in the village, the last state was far worse than the first. Now instead of closing down that dump, why did they not insist on the thing being properly policed?

MR. MURPHY: After election day the Liberals will be put on extra policing, Mr. Chairman.

MR. EARLE: We have got a few prepared down in Fortune Bay to dump a few of the casualties.

MR. CROSBIE: The ruffed grouse sites, we are going to call them.

MR. EARLE: No, no, we have special sites set aside.

Mr. Chairman, if I may have the floor for a moment. Mr. Chairman, I am speaking, I hope I am speaking for a moment... but so many interruptions. What

MR. EARLE: I started to say was in the control of dumping sites. I will ask the minister who does control them, and under whose regulations? Because in the cases where dumps are closed down rather than some proper inspection or control exerted, the last state is worse than the first, because the garbage just accumulates around places. Rather than close down a dump, could not some official instruct somebody that the thing should be properly controlled and properly looked after? The stuff that can be burned, be burnt, and all this sort of thing, instead of just closing it down. It is no solution, in any case of a dump, just close the thing. But is this under the minister's department? Is it the Department of Health or what is it? Whose regulations are they?

MR. CALLAHAN: Well, Mr. Chairman, there are a number of regulations that govern dumping sites, depending on the particular problem that arises. Now I do not know what the particular instance is to which the hon. gentleman refers. But over the last two or three months the responsibility has been consolidated under the Clean Air, Water and Soil Authority. The administration of the Waste Materials Disposal Act has been lodged in that authority.

Normally, in the operation of dumps, the municipality concerned is responsible but, if the situation does get out of hand, any complaint or any problems that arises should be reported to that authority. This co-ordinates the Department of Health and all the other agencies.

MR. EARLE: By that time the garbage is a mile high.

MR. CHAIRMAN: Shall 03-01 carry?

MR. HICKEY: Before we carry that, Mr. Chairman, could the minister tell us if there are any monies available to communities that do not have municipalities or dumping areas?

MR. SMALLWOOD: Is the hon. gentleman interesting in dumping?

MR. HICKEY: Quite. In a number of dumps.

MR. SMALLWOOD: Because this is what we intend to try and do.

MR. HICKEY: Mr. Chairman, that is like water on a duck's back.

MR. SMALLWOOD: The hon. gentleman is not going to let him get away with it?

MR. CROSBIE: The member for Green Bay is going to be dumped. Corbin Clarke is going to dump him.

MR. HICKEY: Mr. Chairman, I was interested in setting up a few dumps. If the hon. minister tell me if there is any money available, I will be glad to tell the House what I have in mind, who I would like to dump. Is there any money available?

MR. CALLAHAN: It might be me?

MR. CHAIRMAN: Shall 03-01 carry?

MR. HICKEY: Mr. Chairman, may I have an answer to this question?

MR. CALLAHAN: Mr. Chairman, if the question is a serious question, I will try to give a very brief answer.

MR. HICKEY: It is quite serious.

MR. CALLAHAN: Under the Waste Materials Disposal Act, as the hon. gentleman might recall from the last session, it is quite possible to set up a Waste Materials Disposal Committee where there is not a municipality. The Committee is suppose to have the responsibility. If the Committee does not do it, then, by a petition or something <sup>it</sup> is possible to award a franchise in an incorporated area, and do it that way and lay down a fee or a scale of charges in the area and prevent, of course, dumping anywhere but in a designated place. There would be some financial assistance available to help set that situation up.

MR. HICKEY: They would have to set it up themselves, would they?

MR. CALLAHAN: Normally a committee is formed at a public meeting and the committee should approach the Clean Air, Water and Soil Authority.

MR. HICKEY: Thank you, very much!

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

MR. HICKMAN: Mr. Chairman, on 814-01 - and generally dealing with crown lands. The practice that has been followed by the committee is to deal, on item 01, with the policy of that particular part of the division. Mr. Chairman, included in that and included in the crown lands vote, I notice, a vote there for acquisition of private land, which we will come to in due course. I would like to raise once again a problem which I drew to the attention of the House

MR. HICKMAN: just a few weeks ago. It is a problem that is beginning to appear in Newfoundland now and can be nipped in the bud before it becomes serious, that is, the acquisition of large tracks of land in this Province, either by speculators or alternatively by people who want to come in and get control over large areas. The hon. the member for Burgeo Lapoile is very familiar with what is happening. He can tell this committee, if he so desires, some of the transactions that occurred only last year in this Province.

Now you may argue that, if a man has a piece of land and he wants to abandoned it, he can abandon that land and farm and leave it and go away and live in the Boston states, if he wants to, and forever and a day, that is the way it should remain. But, Mr. Chairman, that is not what is happening. What is happening is that people are leaving, particularly on the West Coast, good land, with no intention of coming back and then they negotiate, at a fairly reasonable price, with people from outside who then acquire the large areas of land. This, in my opinion, deprives or will deprive in the future Newfoundlander's. More and more we are reaching the stage where people want to go into the country, they want to get small pieces of land for their country homes or something else and, as we get more and more into the four day week, this is going to become more prominent. The problem has arisen in Nova Scotia. The problem has arisen in Ontario and Quebec. We need legislation now, not to expropriate land, as such, but to create the situation where Government can, when it knows that a transaction is about to be concluded, come in and say to the land owner; "we will pay you precisely the same market price that you have negotiated." Put that land into a land bank, and then provide for the orderly distribution and sale of that land for the purposes most suited to that area.

The same applies to crown land, as of now anyone can come into this -

MR. CALLAHAN: It is not so.

MR. HICKMAN: Well, if it is not so, well what is Bill No. 16 doing on the Order Paper?

MR. CALLAHAN: The policy is -

MR. CROSBIE: That is a Bill the Premier did not notice.

MR. HICKMAN: That is right.

MR. CROSBIE: That is right.

MR. HICKMAN: On the day after I raised this in the House, I heard someone ask the hon. the Premier; what about that Act to amend the Crown Land Act, to control it. "I do not know anything about it, it must be a private member's Bill." Well, obviously, it is not, it is a Government Bill. The explanatory notes say that this Bill would amend the Crown Lands Act to restrict the right of non-residence companies and persons to acquire land or right to land in the Province. If they have not got the right now, then, obviously, the time of the legislature is being wasted by bringing in the Bill.

MR. CALLAHAN: Mr. Chairman, the minister has the discretion at the moment to approve any application.

MR. HICKMAN: Oh, but, a discretion and a right - the minister knows better than that, Mr. Chairman. He knows that right now he has to exercise his discretion: judicially and if he does not, then the citizenry have the right to come in and demand that their grants be issued to them. Today, Mr. Chairman, may I draw to the committee's attention a news release that came from Quebec City this afternoon. It reads as follows: "The Quebec Government is to investigate massive land purchases by American speculators in the North Western Abitibi Area. An official in Robert Bourassa's office said today; the Premier ordered the inquiry after receiving a telegram from Roger Diet, Director of the Regional Economic Council of Northwest Quebec. Mr. Diet said a team of land agents representing several American buyers are circulating through the Abitibi Area, but he added, 'we have heard of 100,000 which would have been sold at prices ranging from forty-seven cents to \$4.00 an acre.'"

There was one, that the hon. the member for Burgeo Lapoile was telling me about, of a sale in excess of one hundred acres, for \$3600, last year in the Codroy Valley. I know of another for \$4,000, a hundred acres. Now obviously that is pure speculation with prime land, in a part of the country that we just cannot let be gobbled up for speculative purposes, nor for the purposes of controlling the entire area.



MR. HICKMAN: This news release goes on: "Mr. Diet told the Premier; he believes the land, most of which is unused, is intended to provide Americans with summer homes far from noise and pollution. Another reason behind the sudden interest, he said, could be the decision to exploit the hydro-electric potential of James Bay."

Now this has not reached serious proportions in Newfoundland yet. We are likely to be the last of the Eastern provinces or the Atlantic provinces to feel this. But, if anyone has been reading "MacLean's Magazine" and "Weekend" and other magazines that have been carrying articles on this, will see that the Provinces of New Brunswick and Nova Scotia and Prince Edward Island are already faced with this problem, that they now find it is too late to do too much about it. The land has changed hands, ownership has been established. I heard a programme on C.B.C. Radio on Sunday morning, emanating from Nova Scotia, where some American had gone in and quietly bought up large areas of land in the Pictou Area and they found, to their horror, that he had also bought a road, that they thought was a public road, but it was a road tied in with a grant. Having done all of that, he suddenly said to the local residents; "you shall not pass." This has now become a great controversial issue in that area.

So, Mr. Chairman, I say to the minister that the time to act is now.

MR. CALLAHAN: I say to the hon. member, if he will wait and be patient until we get down to the agriculture votes.

MR. HICKMAN: We are on Crown Lands now. What I say applies -

MR. CALLAHAN: We are not talking about Crown Lands.

MR. HICKMAN: Well we know what the policy of the Government is, that has been explained in the agreement.

MR. CALLAHAN: We are not talking about Crown Lands.

MR. HICKMAN: And the Premier speaks for the Government and what he says, as he said here a dozen times, "it is policy." We will welcome more and more of them.

MR. CALLAHAN: Are we not now talking about private lands, Mr. Chairman?

MR. HICKMAN: We are talking about Crown Lands and the Acquisition of Private Lands, which is under 814-03-10.

MR. CALLAHAN: The hon. gentleman just spent the last ten minutes talking about private -

MR. HICKMAN: and Crown lands. If the hon. the minister would listen, you know. This would be too much to expect.

MR. CALLAHAN: Come off of it! Nothing to do with Crown Lands.

MR. HICKMAN: Mr. Chairman, it has a lot to do with Crown Lands. Obviously, right now there is not the control over the issue on Crown grants that there should be. The hon. the minister has recognized that and without consulting with his Premier and with his Leader, he has given notice of a Bill, and we now have the Bill in front of us.

MR. CALLAHAN: Bill s, Bill?

MR. CHAIRMAN: Order please!

MR. HICKMAN: To control -

MR. CHAIRMAN: Order please! The hon. member is forgetting that we are in committee now and it is out of order to refer to matters before the House, in committee. And we are taking it, it is out of order to refer to items of business that are to come before the House.

MR. HICKMAN: Mr. Chairman, under the item of Crown Lands, the situation as it exists today is that there is not sufficient control over the issuance of Crown Grants or Grants to Crown Land in this Province.

What I would like to hear from the minister, at this time, is what exercise, what control he exercises? Is there any restriction on the acreage that can be granted? I would also like to know of the delays and why there are delays in genuine applications, by people who want to farm in this Province, for Crown Grants? We had an answer to a question not too long ago, that I placed on the Order Paper with respect to applications by farmers in the Winterland area, for additional land to try and create a viable operation in that area, or a more viable operation. The time that had elapsed, I have forgotten how much, it was something in excess of a year and a-half, and the

MR. HICKMAN: reason that was given was that (1) in the beginning it was a group, then one person or two persons or three persons dropped out of the group. Then there was the problem of getting surveys done.

MR. CALLAHAN: That is not our problem.

MR. HICKMAN: Mr. Chairman, if the minister, under whose jurisdiction comes both Crown Lands and Agriculture, were really interested in getting Winterland or the Codroy Valley or Cormack or any of the other farming areas on-going, there would be no delay. I suggest to the hon. minister that if there was an application to build a factory somewhere that the Crown Grant would be issued forthwith and very, very quickly. The surveys would be done so fast, you would not be able to see the rodman running down the road. But, because it is a group of farmers, a-half a dozen farmers or so out in Winterland, you have to wait a year and a-half, because they cannot get a surveyor, a surveyor is not available. Surely goodness, the hon. minister's field staff can help arrange, tell these people when the next surveyor is going to visit Cormack or Winterland.

MR. CALLAHAN: How does the hon. minister know? The hon. minister does not have any surveyors.

MR. HICKMAN: The minister knows the surveyor is going down on behalf of the Government, day after day, week after week. There are highways works going on down there now. Do not tell me now there are not surveyors down there from the Department of Highways?

MR. CALLAHAN: Not the minister's.

MR. HICKMAN: Ask your colleague, the member for Lewisporte, he will tell you when the next surveyor is going down. Next week, you know, next week! All they need is a bit of assistance, a bit of help. You cannot expect them to know where to go to find all this information.

MR. CALLAHAN: But they are suppose to have a member.

MR. HICKMAN: Well, why do you not speak to the member? He is sitting right behind you. Winterland happens to be in Placentia West.

MR. CHAIRMAN: Order please!

I have to remind the guests in the House, the visitors in the Gallery, that they are not to make their presence known to members of the House, either by applause, by laughter or anything of that matter. Visitors in the gallery must maintain silence at all times.

MR. MARSHALL: Mr. Chairman, on this matter of Crown Grants: The hon. the member for Burin have brought up a very valid point, which he had brought up a little while ago, concerning restriction of Crown Grants to non-residents. Subsequently, this statement was treated with scorn by the hon. the Premier and he disagreed roundly with any restrictions whatsoever with respect to the granting of Crown Grants to non-residents.

MR. SMALLWOOD: It is not so.

MR. MARSHALL: This is what was said on radio station V.O.C.M.

MR. SMALLWOOD: This was not said.

MR. MARSHALL: The hon. the Premier disagreed with the hon. the member for Burin, when the hon. the member for Burin stated that there should be restrictions with respect to Crown Grants to non-residents. Then, subsequently, and this is the reason for the objection to this statement now, the hon. the Minister of Mines, Agriculture and Resources has indicated that he wants to adopt a policy to restrict the rights of non-residents to Crown Grants.

So the question I would like to ask the hon. the minister is which policy prevails, do the hon. the Premier's ideas prevail? Is this the policy of the Government or is it the hon. Minister of Mines, Agriculture and Resources? That is the first question. The second is this; the hon. the member for Burin has a very good point. The hon. the member for Burin always raises good points. On this particular matter about non-residents, I think the Department of Mines, Agriculture and Resources could well consider the possibility of putting restrictions on Crown Grants, where the land involved is not used for a certain reasonable period of time -

MR. CALLAHAN: On the Crown Grants?

MR. MARSHALL: On the Crown Grants.

MR. CALLAHAN: On the fee simple grants?

MR. MARSHALL: No, I am not talking about the fee simple grants. If you consult the Department of Justice, you will find out that you can make grants by way of lease as well. In other words, if you want to change your grants -

MR. CALLAHAN: Inaudible.

MR. MARSHALL: Do not make them fee simple, make them leasehold.

MR. CALLAHAN: Well, all right.

MR. MARSHALL: Right, exactly. Give them leasehold grants



if the property is not used after a certain reasonable time then it would revert back to the Crown. This is the way to overcome it. Now, in the meantime I should very much like the hon. minister to inform the House, because I know everybody on this side is waiting with open mouth, waiting with bated breath, to find out when there is a conflict between the Hon. Premier and one of his, hon. the minister's, which one is going to prevail.

MR. CROSBIE: Mr. Chairman, my breath has never been so bated. I think I know the answer to that one. I think that the Hon. the Premier would overcome. But on this question that was raised by the hon. member for Burin a week or so ago Mr. Chairman, It is an excellent point. I am not going to elaborate on it, but every Province has the same problem. It so happens that Newfoundland has not the problem in as great a quantity at the moment as other Provinces because we are more remote. But simply because the hon. member for Burin brings the problem to the attention of the House in the Province, the Hon. the Premier is on the radio the next day laughing, scoffing; "this is foolishness. We want to welcome Americans. We want to welcome Latvians. We want to welcome Swazilanders. We want to welcome Liechtensteiners." In fact we certainly welcome Liechtensteiners, the company incorporated over in Liechtenstein owns half of Labrador or the wood resources of Labrador. The hon. minister has never said, never denied it, that a company incorporated in Liechtenstein, called Shipping - Something Transshipping - the Minister should know.

MR. LICKMAN: Limité

MR. CROSBIE: Transshipping Limité owns half the woodlands up in Labrador. So, when the hon. the member for Burin suggests that it is time the Government took some steps to see that the lands in this Province are preserved for the natives of the Province, not just for foreign tourists who want to buy land, the best land to build summer homes on and the rest of it, then I think that it should be welcomed. Now, the problem that the member for Burin raises, of course, is, if it is private land you cannot very well prevent people from selling it. It would be difficult

to prevent them from selling it, if they want to sell their land and move on or retire or what else. What he is suggesting -

MR. CALLAHAN: How do you know they are selling?

MR. CROSBIE: Because if you pass a law saying that if you wish to sell, then anybody who wishes to sell land to a non-resident must inform the Government first. He must give the Government sixty days notice. The Government will have sixty days to decide whether to buy at the same price. There are all kinds of ways you can do it. Why is the Minister introducing a Bill to get the same control over Crown Lands?

MR. CALLAHAN: It has nothing to do with land purchases.

MR. CROSBIE: It has to do with Crown Grants, people coming in and finding it, Crown Grants.

MR. CALLAHAN: Nothing to do with purchases.

MR. CROSBIE: Exactly the same principle.

MR. HICKMAN: All you have to do is put in the Registry of Deeds Act, saying that non-resident of Deeds cannot be registered without permission of the Minister of Mines.

MR. CROSBIE: Exactly. Certainly. Now the Minister has a closed registry down there. Will the Minister describe the policy, now we are on Crown Lands and Surveys, with respect to this closed registry that is down there, on mining grants.

MR. CALLAHAN: No. The Minister has spent too many hours in the past three years explaining that to the hon. gentleman.

MR. CROSBIE: Right. The hon. gentleman went down to make a search and was not allowed to search.

MR. CALLAHAN: He was allowed to search.

MR. CROSBIE: He was, after he contacted the minister, but not on his first search he was not. There is a closed registry downstairs, mining registry, that you are not allowed to see, no ordinary member of the public is allowed to see unless he gets a note from the Minister giving him permission to see it. That is what I call a closed registry.

MR. CALLAHAN: That is what I call the files of the department.

MR. CROSBIE: The Minister has never explained whether or not there are any - and there was no provisions yet - but I think there is legislation being introduced now so that the minister will know whether or not any of the lands or minerals of this Province are owned by non-resident companies or non-resident people. The Minister said last year, in answer to a question, he could not tell the House whether a lot of wood up in Labrador is owned by a company incorporated in Liechtenstein. The Minister said he did not know. Well, this is his chance this year to correct it. Is there a lot of the forest resources of this Province controlled by a company incorporated in Liechtenstein? Something Transshipping. Or a company controlled outside of this Province altogether. The Minister knows, He should tell us. That is part of this whole question of foreign ownership. If any of our resources Mr. Chairman, are going to be leased, granted or given to non-resident people or company, surely this Province should know about it and the minister should tell the House. Perhaps he will inform us on that.

MR. SMALLWOOD: Mr. Chairman, I would like to see 100,000 Americans come to live in Newfoundland, a couple of hundred thousand for that matter. I would also like to see them come from across Canada, the various Provinces of Canada. I would certainly be charmed and delighted if they came from the United Kingdom, England, Scotland, Ireland and Wales. I would be quite happy if they came from the Continent of Europe, if they came from Australia and South Africa, but, if a couple of hundred thousand people came into Newfoundland and applied to the Crown for a grant of land, which might be granted to them, which might be leased to them, which might be sold to them, not to sit on, not to leave there idle and unoccupied but on condition that they built homes, I think this would be excellent for Newfoundland. I think we would be very fortunate. We do not lack for land. We do not lack land, There is lots of land. You could easily put up a couple of hundred thousand building lots. You would not do it

in the cities. You would not do it here in St. John's where land is gold dust. You would not do it in Corner Brook where land is double gold dust. You would not do it in the places where land is extremely rare and extremely valuable. But, outside of the boundaries of the towns and cities, there is an enormous amount of land and I think it would be a good thing for Newfoundland, a very good thing, indeed an excellent thing, if a couple of hundred thousand were to do that.

Now, they would all, as far as Crown Land is concerned, they could not get an inch. The only Crown Land you can get in this Province today, without applying to the Crown and getting it passed by the Cabinet, is what accumulates under your fingernails from the dust. That is all, that is the only Crown Land you get. If you are buried here you may be buried in six feet of it. The only way to get Crown Land today, this has been the case for a long time, is to apply to the Crown Lands Office. The Minister, if it is above a certain size, has no choice but to bring it to the Cabinet. The Cabinet are continually considering, in most Cabinet meetings there would be a certain number of applications for grants of Crown Land or leases of Crown Land. This is very common, it happens all the time. In this way we have given thousands of acres of land to citizens of Newfoundland. Well, whether they are citizens of Newfoundland or anywhere else, the procedure is the same. They have to apply to the Crown Lands Office in this building. It comes to the attention of the Minister of Mines, Agriculture & Resources, from him it comes, with or without his recommendation, to the Cabinet. The Cabinet make the decision.

Now, if large numbers of people outside of this Province apply for bits of land, an acre, half an acre, two acres, an acre and a-half or some modest amount of land, Crown Land, on which to build summer homes, summer cottages, I am sure the Government will welcome, warmly, cordially, and make them feel very much at home in Newfoundland. I am sure that most Newfoundlanders, the overwhelming majority of the Newfoundland people would

MR. SMALLWOOD:

greatly approve the Government doing that and would be very happy to know that large numbers of people were wanting to come to Newfoundland and build homes. Incidentally, it is rather encouraging to see the number of Newfoundlanders, fellow Newfoundlanders, who are coming back to Newfoundland from the United States and from other Provinces of Canada and building homes here, retiring here. There must be hundreds, quite a few hundred of Newfoundlanders who have come back to Newfoundland in the last four, five, six or seven years and built homes for themselves. You go around Newfoundland today and you are continually running into Newfoundlanders who are back, after thirty years or forty years or twenty years, and they are drawing a pension now and they feel that they can live more comfortably in Newfoundland, life is more leisurely, life is sweeter, life is more wholesome. There is not the rush and tear, the air is more wholesome, the water is cleaner and the land is more wholesome and the people are friendlier, and they are coming back home to live here.

Just as we welcome our own flesh and blood back to Newfoundland to build homes here, to live and die in, to take their final retirement in life, so we would welcome anybody else, any civilized people, to come here and build tens of thousands of homes for their own summer pleasure and some of them no doubt would settle down here. If the Americans came, Mr. Chairman, they would not be the first Americans to come from the United States and settle down and become Newfoundlanders. I know of my own personal acquaintanceship at least a dozen persons who were United States citizens, who came here and have settled down and have become Newfoundlanders. Why not? God knows a great many have gone to the United States and settled down up there and become Americans, even taken out their papers and become American citizens. I wish there were not so much utter rot talked. Of course, I make allowances, as this is election year and common sense frequently in an election year just flies out the window and you get the most arrant nonsense, you get nonsense that afterwards, when the fever wears off, you marvel that people could have been so completely foolish as



MR. SMALLWOOD:

to talk like that just because there is the prospect of an election, Especially if they fear annihilation, if they fear another, number seven, defeat, defeat number seven, it maddens them, it really maddens them. They lose all reason and the things they say are completely outrageous. They have no resemblance to truth or sense or, it is just, "Whom the Gods destroy, they first make mad." Certainly the Gods, whatever Gods there be of that kind, with a small "g", have certainly made certain people I know mad, because we are faced with it here every day. It is just appalling, however-

MR. HICKMAN: Mr. Chairman, on that arrant nonsense that we have just been treated to a dissertation of, I was going to rise on a point of order and question the relevancy of what the hon. the Premier was saying but I notice that under 814(03)(02) there is an item headed, "Petty Surveys," Now either that is the Goldfarb Report or alternatively it has something to do with Americans coming into the Province. But the issue, as usual the hon. the Premier completely skipped over the issue.

The question that I raised has nothing to do with an American coming in or a Lithuanian or anyone else buying a piece of land or getting a crown grant for half an acre of land or an acre of land to put a summer cottage on. What I want to prevent happening, occurring in this Province, is where some person will come in and acquire a hundred acres or one hundred and twenty acres and use it either for speculative purposes or alternatively simply sit on it and preclude other people from acquiring it. This, Mr. Chairman, I submit, is most relevant to the item we are now discussing: Crown Lands and Surveys. It may be our analysis, maybe the other nine Provinces are all wrong, stupid, silly to get upset over it now, to start thinking about Legislation, maybe Premier Bourassa he should not get upset over it and order an investigation and he does not even have an election this year.

MR. EARLE: Mr. Chairman, under this heading, there are just a couple of observations I want to make and perhaps there are two statements by way of

MR. EARLE:

comparison that would be interesting. I understood the Premier would welcome a great many visitors to come in and start up summer homes and that sort of thing. I recall two instances, both of which I can vouch for, One instance where a person came in and had accumulated five or six hundred acres of land, in a very beautiful scenic part of the Province, where there was supposed to be some sort of development. Well, I have watched that closely for a matter of a few years and there is not even a camp up there yet, a canvas tent. There has been nothing happened. It is a beautiful section of the highland, which is privately owned, was granted to these people and just nothing has happened. So I am asking the Minister, in a case like that is there any observation of that sort of thing and if nothing is happening, does the ground not revert to the Crown and how long does it take for it to revert?

Now there is another instance of a much smaller piece of land, something just over an acre, on which a gentleman, a Newfoundlander, wanted to create a small industry.

MR. CALLAHAN: Where is this piece of land, this first piece of land?

MR. EARLE: I will tell you where this first piece is. Let me finish my story. There is a small piece of land on which a gentleman, a Newfoundlander, wanted to create a small activity there which would employ five or six people. He is a very earnest young man and he wanted to get at this. In fact he mortgaged his house to raise a bit of capital. He went to the bank and got what money he could and he approached the Department for a grant for this piece of land. That was two years ago. Eventually, after making umpteen trips to St. John's, writing letters to the Premier, interviewing the Minister and going to every official he could think of and coming to me at least half a dozen times, he finally got that piece of land. But it took him two years and cost him \$2,000. to get it.

MR. CALLAHAN: What was the problem? Tell us why?

MR. EARLE: I do not know. This is what I want to know. Why are there delays

MR. EARLE:

of this nature? On the one hand a person comes and gets a piece of land of several hundred acres and it just lies idle. Another case where a man is already to get going and wants to conduct a little operation there and employ people, it takes him two years to get it. Now my question is, I believe there is supposed to be set up in the Department some sort of a liaison where a person could go and get all this sort of stuff cleared very quickly and there would not be these delays. Can the Minister say if that is working? Because this was only a matter of less than six months ago when this last gentleman finally got his piece of land, but it took him two years. Now is the Minister's operation of that type in the Department, is it functioning properly? Are they putting through these grants? If so, how quickly? Perhaps he could tell us how many are outstanding and how long they take to get through at the present time?

MR. CROSBIE: Mr. Chairman, while the Minister is cogitating on that and getting his answer ready, I would just like to say a word or two about the Premier's remarks. The Premier says, Mr. Chairman, that he would like to welcome several hundred thousand Americans or people from abroad to Newfoundland to buy land here and settle down. What is it we are going to become here in Newfoundland? A senior citizens home for the expatriates of the world? What kind of a vision is that? How consistent is that with the Bill that the Premier's Government has introduced to make it more difficult for non-resident people to settle here in the Province?

On the one hand the Premier is saying that he wants a hundred thousand, he wants two hundred thousand people, Americans and so on, to come to this Province and get land. On the other hand his Government introduces a Bill which changes the law, if it is passed by this House, makes it more difficult for them to get a Crown grant where a non-resident -

MR. CALLAHAN: Is this in order, Mr. Chairman?

MR. CROSBIE: Yes, it is in order. The Premier is disagreeing with the policy. Which makes it more difficult for people to get Crown grants. Now that is

MR. CROSBIE:

inconsistent. If the Premier's policy and his Government's policy is to welcome foreign owners, foreigners to Newfoundland, who want to buy land and settle here or get Crown grants to land and settle here, then why is his Government introducing a Bill to make it more difficult?

MR. CHAIRMAN: Order please! I think I explained that we are in Committee now and you are not allowed to refer to anything in the House.

MR. CALLAHAN: (Inaudible).

MR. CROSBIE: The hon. gentlemen are finished, are they? Get on your feet and discuss the estimates, old man, if you have something to say. Do not just sit there mumbling. We will come to the hon. gentleman's department.

Now there is an absolute inconsistency in that. So, Mr. Chairman, we will expect to see some change in Government policy on this before this session is over. We can excuse the Premier's peevishness tonight. He is feeling unWells, Mr. Wells had something to do with spoiling his Government banquet last night.

MR. CHAIRMAN: Order please!

On motion, 814(01); 814(02)(01), 814(02)(02); 814(03)(02), (03), (04), (05), (06), (07), (09), carried.

814(03)(10):

MR. CROSBIE: On (10), Mr. Chairman. For a minute there the parrots on the other side were quiet, they could just croak carried, carried, but there is something to be asked about on this. Acquisition of Private Land - \$100,000. What land is the Minister contemplating acquiring and for what use of the Government?

MR. CALLAHAN: Mr. Chairman, that vote has been there, I think, for about fifteen years and simply is a device whereby

MR. CALLAHAN: certain private lands, usually those held by the paper companies, can be obtained for public purposes on an arrangement that does not cost the taxpayer. There is an Appropriation-in-Aid below, which I think, will explain what I mean.

MR. CROSBIE: Mr. Chairman, when the minister introduced his estimates, he said that the Bonne Bay Park, what the minister calls the Gros Morne Park, which is now being developed over by Bonne Bay, because of the persistence of the Opposition in the House last year and the Resolution that we had before the House-

MR. CALLAHAN: Despite it.

MR. CROSBIE: That was debated every week last year.

MR. CALLAHAN: That trash.

MR. CROSBIE: That park -

MR. CALLAHAN: That blackmail.

MR. CROSBIE: That brown paper never got to first base. That brown paper got thrown away. The Bonne Bay Park is underway, but that is the only part of the minister's paper of last year that is underway. And the park is underway because of the pressure of Mr. Marshall, the Federal member, and the Opposition put on here last year.

MR. CALLAHAN: That is pretty low pressure.

MR. MURPHY: The voice of Newfoundland and Ottawa.

MR. CROSBIE: Right. Authentic voice trying to save the train service now, or get it put back.

MR. SMALLWOOD: A whole-hog Tory.

MR. CROSBIE: There are quite a few whole-hog Tories over with the Premier now. When the whole-hogs across the House are finished snorting, I will carry on, Mr. Chairman.

The minister said last night that under this vote, acquisition of private land, \$100,000. There was going to be money spent this year for the Bonne Bay Park.

MR. CALLAHAN: The minister said there might be. He did not say there would be.



MR. CROSBIE: Ah, the minister said there might be. The minister has \$100,000 in his estimates and he does not know what it might be for.

MR. CALLAHAN: The hon. gentleman should keep his ears open and he would be better informed and he would not be taking up so much time unnecessarily.

MR. CROSBIE: The minister, just last night -

MR. CALLAHAN: It is pretty hard to keep your ears open when your mouth is open.

MR. CROSBIE: And the minister is the only man who can do both the same time.

Mr. Chairman, last night the minister said in this House, when he was asked a question; where do we discuss Boone Bay Park? He said, Acquisition of Private Land, \$100,000.

MR. CALLAHAN: That is all right, we can discuss it there.

MR. CROSBIE: I am asking the minister how much of the \$100,000 here is to acquire land for the Bonne Bay Park? How much does he plan to spend this year under that heading? And how much of it is going to be reimbursed by Ottawa? And at what stage is the acquisition of land now? We know there is a survey started, but how much of this \$100,000 - and a queer thing about this vote, Mr. Chairman, is that it is \$100,000 even this year, Revised estimate for last year shows \$100,000, the revised estimate for the year before showed \$100,000. How is it that the minister manages to spend exactly \$100,000 on acquiring land each year? It is not \$98,000. It does not go to \$101,000.

MR. CALLAHAN: Usually it is not spent.

MR. CROSBIE: It is usually not spent at all?

MR. CALLAHAN: That is right.

MR. CROSBIE: Well could the minister tell us what he is not going to spend it on this year?

MR. CALLAHAN: I am not going to spend it on nothing, Mr. Chairman, I am glad, I am really grateful to the hon. gentleman for raising the question of the Bonne Bay National Park. I do not intend to go into the matter in detail, I ~~tried~~ to give the House information Friday, but the hon. gentleman did not want it then. So I assume he does not want it now.

MR. CAFLAHAN: I do want to bring to the attention of the House a report in the "Toronto Globe and Mail," which I will table, if the committee wishes, on Tuesday, May 4 - there are two. One is under the headline, "Under Water National Park Urged By Task Force." That is not too bad. But the other one, Mr. Chairman, says, "Ontario To Establish First Under-Water Park." I think in the first story there is a reference of rather similar nature, to the effect that this would be the first under water national park in Canada. Now, perhaps, if I raised my voice a little, if there are any newspapermen anywhere in the vicinity, the report can get back to the "Globe and Mail," or the "Canadian Press," or wherever these reports derived, to the effect that while there are two proposals reported here, Mr. Chairman, in fact there is a signed, sealed, witnessed, publicly witnessed agreement which establishes the first under-water national park in Canada in the Bonne Bay region, offshore, off the Gros Morne terrestrial national park and that is indeed the first national park, under-water national park designated in Canada.

I draw that to the attention of the committee and I hope, somehow, the echo of my voice will reach to some place or other where there are reporters who will note it.

So as far as the vote 814-03-01 is concerned, Mr. Chairman, it is possible that some of these funds might be used in land acquisition this year, if that is necessary. But the arrangement with the Government of Canada is that, until such time as the formal survey is done and until such time that certain negotiations that involve the Reid Newfoundland Company and Rowaters have been concluded. This leads into other areas of discussion to which reference has been made, in fact today, until these things are done, the National Parks Branch will in fact concentrate on development on Crown Lands. We have agreed to turn over, immediately the survey is done and the formal agreement ready and signed, the crown lands within the National Park area and then progressively, as required after that, any private holders. So it may or may not be that any private properties will be required to be acquired in the present year.

MR. CHAIRMAN: Shall 10 carry? Carried.

Shall 815-01 carry?

MR. T. HICKEY: Mr. Chairman, before we get on to that, might I ask a question of the minister, before the total of Crown Lands is passed? I was wondering, Sir, if the minister would inform the House as to whether or not there has ever been a case where a person is given a grant of crown land and with it is given a small lake, or pond?

MR. HICKEY: I was of the impression -

MR. CALLAHAN: The hon. gentleman is talking about the Emerson Estate, you had about one hundred years ago.

MR. HICKEY: No, Mr. Chairman, this is current.

MR. CALLAHAN: Not to my knowledge.

MR. HICKEY: This is a situation where a person obtained a grant from the crown and his land ran from the highway to the low water mark affronting on this lake, on which I might add, other grants

MR. HICKEY: Low water mark, Mr. Chairman, a fence ran out in the water. And people who attempted to pass up over that land were stopped and could not do so. The only way they had of getting there was to swim. Is this possible?

MR. CALLAHAN: I really do not know, Mr. Chairman. I would have to see the grant and the description. If the hon. gentleman wants to bring it to me, I will have it looked at. Technically, and I suppose strictly it should not happen. But, I suppose anything is possible. But, I cannot, as with this case of the hon. the member for Fortune, I cannot deal in rumors nor possibilities, you know, Unless the case is identified, I am unable to deal with it. If the hon. gentleman will bring the description or come and see me with the information, I will look into it.

MR. HICKEY: Mr. Chairman, I am never backward in providing information, so I will provide the location, , name, address, phone number, the whole bit.

MR. CALLAHAN: Yes the whole works.

MR. HICKEY: You want his religion too do you?

MR. SMALLWOOD: I have only heard of two cases in the Province's history where that was done. One was Virginia Waters, presently occupied by

MR. SMALLWOOD: Mr. Andrew Crosbie. It is his home. It is his place, where he lives. It was originally owned by Sir Thomas Cochrane, was it? Or was it Prescott? Mr. Thomas Cochrane, I think. Governor Cochrane, I believe, it was. And he had a summer house up there. In my collection of Newfoundland antique documents, I have a drawing of Virginia Waters. It is probably the only one in the world. The other one was the place now owned by Mr. George Mackinson, former member of this House, over in -

AN HON. MEMBER: Mackinson's.

MR. SMALLWOOD: Well, Mackinson's, yes. But I am just trying to think of the name of the river, Goldwiddy River, I think, Goldwiddy River. I believe that he has the aquarium rights, the water rights.

Well, Juniper Stump is part of it, yes. These are the only cases, I know of. I am not too sure of the latter, I am quite sure of the former, the Virginia Waters grant that did include the fresh water, the pond. I am not sure that Mackinson's includes the water, although that is the tradition. The Mackinson family -

MR. CALLAHAN: Inaudible.

MR. SMALLWOOD: The Mackinson family, I firmly believe. Well that is quite another matter, There was a fishing club given the right to a pond to stock trout in and breed trout, a trout-raising place. I believe, but I am not sure, I believe the original grant given to them laid down a condition that they had to supply breeders to be moved around to other ponds. If I am not mistaken, did they not put in Lock Levenand then they gave up lock levenand, I think, then they turned to rainbow trout. But that is hardly a case of private - it is private property, yes. But the only two cases are the ones I have mentioned.

MR. HICKEY: I imagine the Premier could tell us, or confirm that in those two cases the land surrounding the water or the pond, all of it was owned by the individuals, all the land surrounding the pond, in other words the lake or pond was given with the land and he had title to the land -

MR. SMALLWOOD: That is the case of Virginia waters.

MR. HICKEY: Yes. Well, in this particular case -

MR. SMALLWOOD: Water, dry land and all were given to Sir Thomas Cochrane.

MR. HICKEY: In this particular instance, Mr. Chairman, there are a number of people who have grants boarding on this.

MR. SMALLWOOD: No, Bond did not. Sir Robert Bond was not given the right to the water at the Grange. The Grange consisted only of the dry land.

MR. CROSBIE: Virginia Waters is owned by Mr. Parson's by the way, not by the gentleman named by the Premier.

MR. SMALLWOOD: But, I believe he lives there.

MR. CROSBIE: That is correct.

MR. SMALLWOOD: I was referring to Mr. Andrew Crosbie, the loyal Liberal. . Should there be any misunderstanding, I am talking about the ardent, loyal Liberal, Andrew Crosbie.

MR. MURPHY: No slander, the man is not here to defend himself.

MR. CROSBIE: A very serious charge the Premier is making. Very serious.

MR. HICKEY: I am trying to determine what heading that is under. Could I have some help?

MR. CHAIRMAN: Shall the item carry?

MR. CROSBIE: 815-01 has not carried yet, Mr. Chairman, I do not believe.

MR. CALLAHAN: It has.

MR. CROSBIE: No, it has not, this is Agriculture Services - 815-01.

MR. CALLAHAN: While everybody was shouting and chew-monting, it was carried.

MR. CROSBIE: While everybody was confused with loyal Liberalism, of which there is very little left in the Province.

MR. SMALLWOOD: Tell that to Andrew Crosbie.

MR. CROSBIE: 815 - 01, for verification. This is Agriculture Services, I believe, Mr. Chairman?

MR. CALLAHAN: Is this going to be a long speech.

MR. CROSBIE: No not long at all. Why? Does the minister want to leave?

The minister should stay here and defend his ham and egg policy, at the very least.

MR. CROSBIE: Pardon! Chicken and chips! This is Agriculture Services, Mr. Chairman, so you want us to discuss Agriculture now? I do not mind waiting



MR. CROSBIE: until we get down to - what is it? The Newfoundland Farm Products Corporation. It does not matter to me, I will wait.

MR. CHAIRMAN: Shall 815-02-01 carry?

On Motion 815-02-01 through 03 carried.

On Motion 815-03-01 through 04 carried.

MR. CROSBIE: 05, Mr. Chairman, Grants to the Newfoundland Farm Products Corporation. The Newfoundland Farm Products Corporation is a Crown Corporation, as the Committee knows, which operates slaughter houses and facilities for egg grading and vegetable processing around the Province. Now it was mentioned last night, when the minister's estimates were introduced, or I mentioned last night, Mr. Chairman, that I would like the minister to discuss what the Government's ham and eggs policy is actually costing, not only the taxpayers of the Province but the consumers of the Province? The ham and egg policy, of course, is a policy of assisting in the promotion of the pork industry in Newfoundland and the promotion of the broiler industry in Newfoundland and the promotion of the egg industry in Newfoundland. Egg, Agriculture Industries.

Now that corporation, for example, Mr. Chairman, had a loss according to the audited statement for the year ended March 31.

MR. CALLAHAN: It did not.

MR. CROSBIE: Look, I am speaking now. If the minister wants to dispute what I am saying, all right. Now I have in my hand, Mr. Chairman, the audited statement of Newfoundland Farm Products Corporation, for the year ending March 31, 1970.

MR. CALLAHAN: So what?

MR. CROSBIE: Ha, ha, "so what," says the minister. That shows on page - exhibit one, its balance sheet, as at the 31st. March, 1970. Now what does the balance sheet show? The balance sheet shows a loss for the year.

MR. CALLAHAN: Which is not a loss.

MR. CROSBIE: Exhibit two, the operating loss for the year is \$313,315. That was the operating loss after it bought poultry and sold poultry and bought pigs and sold pork, or we hope that it is pork that was sold. After all the expenses, the operating loss for the year was \$313,315. Now that loss

MR. CROSBIE: was met by the Province, the Government of Newfoundland paid to the Corporation operating grants to meet that loss, \$227,000, which left a net loss carried forward to the statement deficit of \$86,219. In other words, the Government, the people of Newfoundland, had to meet its loss, unless some year it starts to make a profit. That does not appear on the horizon yet.

Now the question is, Mr. Chairman, what are all these programmes costing, (1). The taxpayers of Newfoundland who provide the revenue, or the creditors of Newfoundland who supply the loans that the Government are operating on, what is it costing them to subsidize the poultry operation and the pork operation and the broiler operation? Because these facilities of Newfoundland Farm Products Corporation are supplied by the Government without charge. They have been given their equipment without charge. They have been given the buildings without rent. The Government meets the expenses. Still Newfoundland Farm Products Corporation has a loss of \$313,000 in a year.

Now allied with that, as every consumer in Newfoundland knows, Mr. Chairman, we have a marketing board now, which has a monopoly or controls the sale of eggs in the Province, about which there is considerable controversy. When we were discussing the estimates of the Department of Provincial Affairs, we pointed out that there are only twenty odd thousand dollars provided for the whole division of Consumer Affairs by the Government, which appears to be a paltry amount compared to what the Government are spending to assist and subsidize the agricultural industry in this Province. I would ask the minister if he could give us a report when we got to this committee, on what these policies are costing, first the Government of Newfoundland and second the consumers of Newfoundland, because they have to pay more for eggs than they would have to pay if there were no marketing board controlling the sale of eggs in this Province. I mean the minister has to admit that, Mr. Chairman. If it were not for the egg marketing board, eggs would doubtless sell in this Province at a considerably cheaper price than at the moment. Because if the producers here did not lower their price, eggs would come in

MR. CROSBIE: freely from other provinces. But with the Egg Marketing Board this situation is controlled by the Egg Marketing Board, who in various ways keep eggs, extra-provincial eggs out of the Province. So I would like the minister to address himself to this question, what this is costing for us to subsidize the egg, poultry and pork producers and his comments on what it is costing the consumer in a higher price for eggs.

I am certainly not an expert in this field and I do not know what the answer to that is. I notice also, Mr. Chairman, that the minister has said that the marketing war that is taking place in Newfoundland and in Canada today, that the hon. the Minister for St. John's East (Federally) was talking through his hat when he mentioned this marketing war. What is the point, Mr. Chairman, in having one nation, if you do not trade within the nation? I mean the very idea of having a Federal system where every province can pass legislation to block out the other man's eggs and to block out his poultry, and to block out his broilers and to block out these pigs and the rest of it seems a bit ludicrous. I mean, either Canada is one nation, where goods produced in Canada can be sold within the provinces and within the country without any trade barriers, or it is not. I feel quite certain that when the Manitoba case reaches the Supreme Court of Canada, it is going to be held that that kind of legislation is unconstitutional. In that event, what is the minister then going to do in relation to the Egg Marketing Board here in Newfoundland?

MR. CALLAHAN: The minister may just station guards with guns at the borders or boundaries.

MR. CROSBIE: That is a frank admission, We are going to have men stationed now with guns at the borders, not to keep out Americans coming here to buy

MR. CROSBIE: over here to buy land to keep out 'chicken, keep out eggs, keep out pigs, that is a new concept, Mr. Chairman.

In the meantime, while the consumers of Newfoundland are paying more for all those products, because the Minister has got his men with the guns stationed to keep them out. So if the Minister could give us some information on that it would be quite helpful.

MR. CALLAHAN: Mr. Chairman, I could spend the night on this but I do not intend to. I covered a good deal of it, I thought, last night.

The hon. gentleman was at least honest enough to admit that he really did not know very much about it. But I will start from there and try to inform him.

MR. CROSBIE: That is the stuff.

MR. CALLAHAN: Now Mr. Chairman, I think it is fair to ask whether money, public funds, provided for the construction of forest access roads, can be considered a loss or whether bonuses to teachers can be considered a loss or whether grants to Memorial University can be considered a loss, or grants to school boards for operating purposes for student aid or any of the other expenditures that are made and that are in these estimates, expenditures on public programmes.

The hon. gentleman said, Mr. Chairman, that the Farm Products Corporation are provided with buildings and they are provided with equipment and they are provided with heat and light and overhead and yet they are losing money. They are losing money.

Now Mr. Chairman, I hope I will not have to go into this in any detail again. I will try to be brief, The Newfoundland Farm Products Corporation is a Crown Corporation that is a development agency of the Division of Agriculture and Foods and of the Government. It is the development agency, in terms of the provision of facilities

MR. CALLAHAN: throughout the Province whereby to encourage agricultural production, which cannot happen and cannot occur unless certain facilities are provided.

It is not the case that Newfoundland Farm Products Corporation is losing money, Mr. Chairman. The estimates have been changed from previous years to reflect and perhaps even in protest against what continually has been referred to as a loss in the operation of that Corporation. So that 05 now is made to read, "Grant - Newfoundland Farm Products Corporation," because that is what it is. It is a grant to the Corporation to enable it, Mr. Chairman, to carry out the policy for which it was established. Now what is the policy?

The policy is to provide and operate, or provide for operation by farmers' co-operatives, facilities wherein to handle and process agricultural products. So that Farm Products Corporation operates the facilities at Pleasantville, which include the abattoir, the cold storage and the poultry killing plant. It provides assistance to farmers' organizations for the operation of the egg-grading station at Bishop's Falls and will do at Corner Brook and the Vote in the estimates this year, the Vote now under consideration, is for that purpose too.

It provides assistance to farmers' organizations, in the operation of vegetable processing facilities at St. John's, at Bishop's Falls and at Lethbridge, Bonavista Bay and will do in Corner Brook.

It provides assistance to farmers' organizations in the operating of slaughter houses at Comfort Cove, at Robinsons, at Codroy Valley and will do at Corner Brook and Bishop's Falls.

So that, Mr. Chairman, the Farm Products Corporation really is a means:

- (a) of getting facilities built and in operation and
- (b) of assisting farmers' organizations, except where there are not well organized organizations, to take them over and then Farm Products do it themselves



MR. CALLAHAN: (r) of assisting farmers' organizations in the operation of these facilities for usually a specified period of time.

Reference has been made to the poultry producers at Pleasantville. They are not, Mr. Chairman, 'n-o-t' not, they have not been, I think for almost two years, receiving any subsidy or any assistance in the way, of buildings, rented buildings, light, heat nor anything else. The eastern farmers co-operatives, who have vegetables in storage and holding space at Pleasantville, after I think next Spring, also will cease to receive any help. The farmers in Central Newfoundland were offered two years' assistance. This is the programme, Mr. Chairman, this is what is offered.

It is offered to ensure that if we build facilities there is some chance that they will become viable. So we help in the operation for two years and it is done through the Farm Products Corporation, which is not showing a loss but which is carrying out a subsidy programme, having been provided by this House with a grant by which to cover the cost of that programme. When I say a subsidy programme, I mean not only a subsidy programme but also the actual operation itself of facilities, the maintenance of facilities, the building of facilities and, in addition to that, from time to time, Mr. Chairman, particularly in the hog industry, of supporting the price from time to time, not a basis whereby the corporation recovers when the price goes above an established based line, of assisting in certain feasibility studies that from time to time need to be done, as I told the House last night.

We right now are doing a study on the Newfoundland Co-operative Services, from the point of view of their involvement in the marketing of agricultural products. That project is covered in the grant which is asked in these estimates for Newfoundland Farm Products Corporation.

MR. CALLAHAN: This year, Mr. Chairman, the Corporation will build facilities at Harbour Grace, Clarenville, at Lethbridge, at Winterland at St. Anthony, at Robinson's, at Happy Valley, and at Corner Brook. It will expand facilities at Robinson's, replace certain facilities at Doyles, and construct a new facility at Lethbridge. Now all these facilities will be built by the Corporation and will be overseen in their operation by the Corporation and will be assisted, if they are operated by farmers, for two years in their operation, by the Corporation.

Now, Mr. Chairman, this is not an unforeseen loss. It is not a programmed loss vote. This vote is intended to be, as it says now in the estimates, a grant to the Newfoundland Farm Products Corporation to assist in the operation of a multitude of facilities around the Province and to help certain marketing programmes which will enable the agriculture industry to be productive.

Now I do not think, after last night, having tabled in the House last night the report of the Canadian Agricultural Economic's Research Council, I do not need to tell the House what the present and potential values of the agricultural industries are. They are extremely promising and extremely exciting. If we look at the total vote under the Division of Agriculture and Food, last year it was \$1,306,500.00, as I read it, Mr. Chairman, for which, on the commercial side, we produced products valued at approximately \$16 million, so that was sixteen to one return there and employed, full time, some two thousand people and, part-time, another fifteen hundred. I tell the Committee tonight, Mr. Chairman, that these jobs and that production would not exist in excess of ten to fifteen per cent if it were not for the activities of the Corporation which make this production and these jobs possible by virtue of the facilities that it has and makes available to the agriculture industry in this Province.

Now if you want to make comparisons, we do not have to go very far.

MR. CROSBIE: I am sure a lot of them do not agree with you.

MR. CALLAHAN: Just mention one, Mr. Chairman. There is in Canada a dairy industry and it has rather limited numbers of people involved in it. It is a valuable industry of course but the twenty odd thousand farmers involved in that industry get a subsidy of \$135 million a year for that one industry alone. I invite any hon. member to make the obvious comparison with the relatively low scale of assistance or subsidy or call it what you will, Mr. Chairman, that is provided to the agriculture industry in this Province, compared with the pay-off in terms of jobs and production, and I say that the Newfoundland economy and the Newfoundland consumer are being very well served.

If you want to talk about Farm Products Corporation, \$206,000 Mr. Chairman, is not very much money.

MR. CROSBIE: How is the consumer being well served?

MR. CALLAHAN: I say, Mr. Chairman, that we are being well served by the Corporation and that the total investment, annual investment in agriculture, which is going to be up a couple or three times this year, is well worth it and offers one of the best potentials that we have in this Province for basic and primary development and growth.

So if hon. members want to approach it honestly and dispassionately, Mr. Chairman, I think they will agree that this is a very modest investment for what we are, in fact, getting back for it.

It does not pertain only to poultry products. It also has to do with pork products, with beef, as beef, with a whole range of meat products and with a whole range of vegetable products and we have very, very, very good chances of expansion, Mr. Chairman, that are going to require, I believe and I think it is obvious, more investment in the future. But if it can be shown, as these figures and

MR. CALLAHAN: the comparisons I have noted have shown, that the pay-off is good and the benefits so far have raised the cost, then I fail to see how anyone can argue really with the picture that is presented in these estimates.

MR. CROSBIE: Now Mr. Chairman, the Minister said that the consumer is benefiting and I asked him to explain how this related to the consumer. Just the Minister's simple statement that the consumer is benefiting is not quite enough. How is the consumer benefiting? For example, if he is paying a higher price for eggs in this Province, is he getting a better egg than he would otherwise? What is the difference in price?

MR. CALLAHAN: This has nothing to do with Farm Products whatsoever.

MR. CROSBIE: It has everything to do with Farm Products Corporation.

MR. CALLAHAN: It has nothing to do with Farm Products Corporation in the least.

MR. CROSBIE: Why not?

MR. CALLAHAN: Because it has not.

MR. CROSBIE: Is it that Farm Products Corporation is selling eggs, selling poultry.

MR. CALLAHAN: No - Farm Products Corporation is not selling eggs.

MR. CROSBIE: Here is a balance sheet of it, look. Here it is. This shows what it did during the year.....

MR. CALLAHAN: As far as the poultry is concerned, Mr. Chairman, the poultry prices in St. John's are considerably better than they are in Halifax, which is the comparison the hon. gentleman makes today.

MR. CROSBIE: Newfoundland Farm Products Corporation shows poultry and pork, All right it does not show eggs, I will agree with the Minister.

MR. CALLAHAN: I just said, we do not sell eggs.

MR. CROSBIE: No. But the Egg Marketing Board controls the prices of eggs. Now the Minister can either discuss it here or he can discuss it

MR. CROSBIE: down at the Marketing Board.

Well the Minister just made a statement that all of this was doing great things for the consumer. Why does he not explain how?

MR. CALLAHAN: Mr. Chairman, how does one divorce, in this Province, the consumer, every citizen is a consumer, every consumer is a citizen, and surely it is obvious to the committee that if a programme improves the general economy of the Province it has to improve for consumers. It improves it for everybody.

MR. CROSBIE: It is a pretty remote connection.

MR. CALLAHAN: Well that is a very remote connection. Very remote.

MR. CROSBIE: Now, Mr. Chairman, the Minister does not want to discuss this until he gets down to the Egg Marketing Board, all right. Can he tell us, for example, why the Corporation spent \$19,000 in rented vehicles for the year in question? It seem an amazing amount of money.

They had already had a gross loss of \$137,000.

MR. CALLAHAN: They did not have a loss, Mr. Chairman.

MR. CROSBIE: Look, there is the balance sheet here. Gross loss - \$137,000.

MR. CALLAHAN: The balance sheet is couched in words which do not reflect.....

MR. CROSBIE: Confirmed by the Auditor General.

MR. CALLAHAN: I do not care what the Auditor General says.

MR. CROSBIE: Then when we get down to spending, administrative and general expenses, rented vehicles - \$19,000.00, and consultant's fees - \$4,000.00, who are the consultants to the Newfoundland Farm Products Corporation?

MR. CALLAHAN: I explained that last night. I am not going to go into it again. I took an hour last night.

MR. CROSBIE: The Minister did not say who the consultants for the Newfoundland Farm Products Corporation were. Nor did he say why



MR. CROSBIE: they spent \$19,000 renting vehicles.

MR. CALLAHAN: Go back and check the records and you will see who the consultants are.

MR. CROSBIE: We heard about some consultant in this report here.

MR. CALLAHAN: Two consultants, last night.

MR. CROSBIE: Did the Minister last night tell us about why they spent \$18,000 renting vehicles or could the Minister explain now?

MR. CALLAHAN: I do not think I have the information, Mr. Chairman. I could probably get it.

MR. CROSBIE: Well the Minister says he can probably get it. Does he control the Newfoundland Farm Products Corporation?

MR. CALLAHAN: Yes. The probability is, Mr. Chairman, that I can get it.

MR. CROSBIE: Well would the Minister find out if they are going to spend \$19,000 renting vehicles again this year?

MR. CALLAHAN: Yes, Mr. Chairman.

MR. CROSBIE: And the Minister realizes there is a question on the Order Paper asking who the employees of Newfoundland Farm Products Corporation are? And who the consultants have been?

MR. CALLAHAN: Who the what?

MR. CROSBIE: There is a question on the Order Paper and has been for weeks.

MR. CALLAHAN: Who the what?

MR. CROSBIE: Who are the employees of Newfoundland Farm Products Corporation?

MR. CALLAHAN: You mean the entire work force?

MR. CROSBIE: Yes. Who are employed by you, their names?

MR. CALLAHAN: That was tabled last year, Mr. Chairman.

MR. CROSBIE: It was not tabled last year.

MR. CALLAHAN: It was tabled last year.

MR. CROSBIE: It is a question on the Order Paper this year, asking who are the employees of Newfoundland Farm Products Corporation and who all their consultants are and who they have been for the past two or three years? Now is there something to hide? The Minister does not want to give the information.

MR. CALLAHAN: There is nothing to hide, Mr. Chairman, it is just stupid and silly.

MR. CROSBIE: There is nothing to hide, then table the information.

The report here of Newfoundland Farm Products Corporation says that the number of persons employed monthly averages one hundred and twenty-six. But surely it does not take that much time to get one hundred and twenty-six names.

MR. CALLAHAN: What do you want that for?

MR. CROSBIE: You would be surprised what we want it for. Also the names of the consultants.

MR. CALLAHAN: The consultants were named last night, Mr. Chairman. I refuse to get that information again.

MR. CROSBIE: What information?

MR. CALLAHAN: The consultants.

MR. CROSBIE: There is a question asked. Never mind these consultants, we know who these are here. We want to know who have been employed as consultants for this operation down at Pleasantville for the last four years.

MR. CALLAHAN: That is what I am talking about. That is precisely what I am talking about. That is the precise information I gave last night.

MR. CROSBIE: The Minister did not give it last night and refuses to give it. The Minister must have something to hide.

MR. CALLAHAN: That is right, the Minister has something to hide. That is why he gave it last night.

MR. CROSBIE: I say it is a risk to propellant logic. If the Minister refuses to give information...

MR. SMALLWOOD:(J.R.): That is insane logic, you have got to have something to hide.

MR. CROSBIE: Mr. Chairman, we get these little outbursts whenever we are asking for information the Premier does not want given.

Now it is a simple enough matter to let the House know who had been employed as consultants for Newfoundland Farm Products Corporation for the last three years. Very simple, the Minister has not given the information and he will not give it now because he does not want to. He does not want to, There must be some reason for that, Mr. Chairman, there must be something he is covering up. That is logical.

The Minister did not give the information here last night and has never given the information. The same question was asked last year. It was put on the Order Paper last year and was not answered last year and the Minister is refusing to answer it this year. So there must be someone who is employed as consultant there that the Minister does not want the public to know about. If that is not the case, he will gladly give the information. The Minister still flatly refuses.

MR. MYRDEN: Mr. Chairman, would the Minister advise the Committee if veterinarian services subsidization, it is increased \$10,000. How many vets does that cover and does this cover?

09, I am sorry, 10 - Subsidized veterinarian services.

Would you explain how many vets this covers and whether that covers their expenses. Does that cover their expenses also, travelling expenses?

MR. CALLAHAN: Yes it does, Mr. Chairman.

MR. MYRDEN: How many?

MR. CALLAHAN: Four including the new one in Central Newfoundland.

MR. MARSHALL: Many, many points have to be brought out with respect to this particular organ.

Mr. Marshall.

I must say that I heard with some bemusement the rebuttal given by the hon. minister to the Federal member for St. John's East. The Federal member for St. John's East pointed out and quite rightly so that the Newfoundland Egg Marketing Board is completely contrary to the principles of Confederation.

MR. CALLAHAN: The hon. gentleman is disagreeing with it, is he?

MR. MARSHALL: I am disagreeing with the rebuttal that the hon. the minister, pathetically, attempted to give on radio and on CBC television. Now the fact remains that Confederation (if Confederation means anything) means a Canadian common market as such, with no tariff barriers, with no customs duties between provinces.

MR. CALLAHAN: Well then let us have a common market.

MR. MARSHALL: And this is..

MR. CALLAHAN: Create a common market and we will all be happy.

MR. MARSHALL: The hon. minister will have his chance afterwards. I hope the minister can acquit himself in a little bit better fashion than he did on CBC. But in any event, if Confederation means anything, Confederation means that you do not put up tariff barriers around you. The minister, on CBC, indicated that "if Confederation meant anything, Confederation meant that Newfoundland had to prosper." It was as weak as that. That is exactly what he said.

Now, Mr. Chairman, the question I ask is this: If we have an Egg Marketing Board, why do we not have a Paint Marketing Board? We have Standard Manufacturing, for instance, which manufactures its own paint. Why do we not protect Standard Manufacturing in the same manner as we protect the egg producers? Why do we not protect the lumber dealers of Newfoundland in the same way as we protect the egg producers? Why not go the whole hog, as it were, and protect every single industry in Newfoundland by providing that everything marketed in this Province, must go through a Government Marketing Agency or a Government Marketing Board? It has been pointed out here in the House

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that while it may be - a rationale sometimes given is that it is good for the egg industry as such. The long forgotten individual is the consumer. We do not need to look very far to compare the prices that have come into effect in Newfoundland since the Egg Marketing Board and in other place, to see that it is the consumer who is the individual that is suffering. For instance, on April 24, the price, of producer to wholesaler in Newfoundland, of extra large eggs was \$.64; producer to wholesaler of large eggs, \$.60; medium \$.55; small, \$.45 per dozen.

Then we looked as near as Sydney, Nova Scotia, on that same day, April 24, we looked at extra large eggs which cost \$.44 a dozen, as compared to our \$.64 a dozen. The consumer has to pay an extra \$.20 per dozen. The consumer almost has to pay thirty-three per cent more than the people in Sydney, Nova Scotia, were paying that same day. With respect to large eggs in Sydney, the price \$.44 a dozen for large. Here in Newfoundland, at that same time, producer to wholesaler, \$.60 per dozen. That is a difference of \$.16. Then again with medium, the price \$.55 per dozen, In Sydney, Nova Scotia, \$.39 a dozen. That is a difference of \$.16. Then finally, small eggs, \$.45 per dozen, producer to wholesaler in Newfoundland, under the Egg Marketing Board, and \$.35 in Sydney, Nova Scotia. Take it again, producer and wholesaler to the retailer, that is the price to the housewife, here it is \$.69 for extra large and \$.48 in Sydney. It is \$.65 for large, \$.48 in Sydney. For medium, it is \$.60 and \$.43 in Sydney. For small, it is \$.50 and \$.40 in Sydney. Now what other justification, what other proof do we need than that to at least show that the consumers of this Province are suffering by reason of the institution of the Egg Marketing Board? We do not even need to go outside the Province. We can look up to Labrador and Wabush. On March 17, in Wabush, because the Egg Marketing Board was not in effect at that time up there, the Wabush egg prices were \$.12 below those pertaining in St. John's. Eggs were being brought in Wabush from Victoriaville, Quebec. Now that is the situation.



Mr. Marshall.

We can look at the egg producers of this Province as we look at any producer and we know that egg producers or any type of business establishment has to get a certain amount of protection, but it is a matter of balancing out the individual, one individual's interest against the social interests. With the cost of living being as high as it is in Newfoundland, there is no rationale. There is no rationale whatsoever for this Egg Marketing Board. I also noted, on going quickly through this Agricultural and Food Potential Report, that we see, here in Newfoundland, the comparative, average, retail prices of poultry feed in Newfoundland is lower, is appreciably lower, it would appear, than in other provinces of Canada. It is certainly lower than in the Maritime or Atlantic Provinces of Canada. That is one item of cost that we have which is lower. There is no rationale in this world. The egg industry in Newfoundland is going through a hard time, probably it is going through growing pains. We are becoming self-sufficient in eggs. Probably we were becoming too self-sufficient in eggs, because there was an over-abundance of supply. But the principle upon which we work is a free-enterprise system. I do not see how any Government can justify bringing in the Egg Marketing Board, particularly when the consumers of this Province are very, very adversely affected. This is causing a great appreciation in the cost of living, in the cost of an essential food item. It is not working out. As I say, I agree whole-heartedly with the member of Parliament for St. John's East and with the other remarks that have been made here on this side today to the effect that this is completely and absolutely contrary to the principles of Confederation. It is completely and absolutely contrary to the reason why we joined, one of the main reasons why we joined Canada in 1949 and one of the reasons why we have benefited so much is because of the fact that there are no custom duties or custom barriers between this Province and the rest of Canada. But in effect this Marketing Board - by saying that the Government are going to control who sells and what producers sell their eggs or, for that matter, what producers sell

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anything, in effect, you are setting up a tariff curtain around Newfoundland. The net result of this is going to be, to subsidize the inefficiency of egg producers, of certain egg producers, probably. It has to be that, when you consider it in the whole context. Certainly, when you consider it in the context of the Atlantic Provinces and when you consider all of the egg producers, by putting this Egg Marketing Board into effect, we are subsidizing inefficiency of some of our egg producers, if not all of them, here maybe in the Province of Newfoundland, at the expense of the housewife and at the expense of the children of Newfoundland.

It is an untenable situation. It is an item, it is an endeavour that this Government should not be in. The net effect is to increase the cost of eggs and also to attack, to attack quite vigorously, the principles of Confederation itself.

For this reason, Mr. Chairman, I would move that this amount of \$70,000 provided for the Newfoundland Marketing Board be reduced to \$1.00.

MR. SMALLWOOD: Mr. Chairman, I am not going to worry about the motion that the hon. gentleman has made except that I will speak broadly to it. The first three sentences that I will utter may appear, to Your Honour, to be beside the item that is now under debate. But, if you will allow me to make these two or three sentences, you will see that they are very much to the point.

When Newfoundland joined Canada, one Clause in the Terms of Union provided for permission for margarine to be manufactured in Newfoundland. Now margarine was not permitted to be manufactured anywhere in Canada, up to that moment. When the Terms of Union were adopted by Parliament, in Canada, margarine was permitted in Canada.

Mr. Smallwood.

It was permitted in Newfoundland.

There was quite a debate on that in the House of Commons. I sat there in the distinguished visitors' gallery and followed the debate. Mr. Drew, the Leader of the Tory Opposition, argued that all goods, in the Constitution of Canada, were permitted to pass freely from one province to another. Will you please take note of the word "freely." Mr. Drew argued that all goods were permitted to pass freely between provinces. The Prime Minister was Mr. Louis St. Laurent, who was Canada's greatest constitutional lawyer. He had appeared twenty times before the Judicial Committee of the Privy Council in London, arguing cases. He was Canada's greatest constitutional authority.

He replied to the Leader of the Opposition and he said that the Leader of the Opposition was quite mistaken and that the Constitution does not provide that goods pass freely from one province to another. What the Constitution provides, Mr. Chairman, is that goods pass free from one province to another. There is all the difference in the world between passing freely and passing free. Goods must pass free from one province to another, that is to say, they must, without the imposition of duties or restrictive taxes, on entering provinces. But this does not mean that they may pass freely. The Prime Minister went on to give an example. He said, "I live here in the City of Ottawa, which is in the Province of Ontario. I am subject to the laws of Ontario, while I live in Ontario. But just across the border is the Province of Quebec. A personal friend of mine visited me the other day, from the Province of Quebec. He came to my apartment in Ottawa. He brought me a bottle of wine, as a gift. I asked him where he had got the bottle of wine and he said that he bought

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it in Montreal. I asked him how it came into the Province of Ontario. He said, "Well I brought it." I said, "do you know that you have broken the law of Ontario, that wine is not permitted into Ontario from the Province of Quebec?" He went on to remind the House that many provinces forbade completely the entry of certain goods from other provinces. For example; some provinces do not permit the entry of beer made in other provinces. There are one or two provinces that permit beer to be sold, only that is made inside their own boundaries, and prohibit absolutely the importation of beer from any other part of Canada. So their goods do not pass freely. They do not pass at all. They do not pass freely. They do not pass free. They do not pass free because they do not pass. But if they do pass, they must pass free, that is free of tariffs, import duties and tariffs.

Now this has been done all across Canada. In Quebec, it was the law for awhile, Quebec law, that margarine could not be coloured. In many American States, by the way, they had the same sort of law. Margarine could be sold but it must not be coloured. It had to be sold white, its natural colour. The colour of margarine is added. It does not belong naturally to it. In the Province of Quebec, margarine was not permitted to be coloured. What they did was to sell a little bag of colouring, so that the housewife buying a block of margarine, like lard in colour, white, was given a little bag or bought a little bag or it went with it. She had to squeeze it into the butter and colour the butter herself. Any coloured margarine that entered Quebec did so against the law. This was upheld in the courts. I discussed the matter with the late hon. Brookes Claxton. Brookes Claxton was a lawyer. He was one of the most distinguished ministers the Canadian Government of any stripe ever had. He was a very great and distinguished Canadian statesman. He was a practicing lawyer in Montreal, before he went to Parliament and from there into the Cabinet. He wrote a very famous treatise, a copy of which he gave me, autographed. I have it

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now in my possession, in which he recited all the cases there were at that time and had been up to then in Canada, of cities prohibiting the entry of certain goods from that same province, from within the boundaries of the province containing the cities, and of the innumerable cases there were of provinces forbidding the entry of certain goods from other provinces. Now, because you see what the constitution provides is that when goods do pass, they shall pass free. But the constitution does not say that they shall pass freely. We had innumerable cases like this all across Canada. They were there long before we were part of Canada. They have prevailed and they have persisted. They are there to this moment.

Now with regard to this vote of marketing (What is it called?) the Newfoundland Marketing Board, (my understanding of it is, and I am not entirely clear, but I think I am right, My colleague, the minister, will correct me if I am wrong) my understanding is that this board is a Government board. It has control over various marketing boards that may be set up. There is at the moment one such board set up: The Egg Marketing Board, which is made up of egg producers, operating their own marketing but subject to the overall control of the Newfoundland Marketing Board. Do I understand correctly that there are not, as yet, other marketing boards under the Newfoundland Marketing Board? There may be, but at the moment there are not. There may be a Broiler Marketing Board. There may be a Pork Marketing Board. There may be a Lamb Marketing Board. There may be a Turnip Marketing Board, perhaps a Potato Marketing Board. In other words, what there may well be in this Province is what exists in every province across Canada. There is nothing more commonplace in Canada than marketing boards, nothing - quite nothing.

Now the history of it is absolutely fascinating. British Columbia was really - well perhaps that is going too far. What I was going to say



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was that British Columbia is the home of it. But British Columbia is the home only of one aspect of it. British Columbia became very famous among primary producers all across Canada for their small fruits - Small Fruits Marketing Board.

Now this is a board marketing small fruits, as the word suggests; berries, cherries, grapes, small fruits as distinct, I suppose, from large fruits. And British Columbia is rather noted, the Okanagan Valley and other parts of that province are rather noted for their production of small fruits. The marketing of those small fruits was the most savage, was the most savage, cut-throat competition, perhaps that Canada has ever seen, with the result that the small-fruit producers, the farmers were ruined almost irretrievably, and out of the ruin arose the Small Fruits Marketing Board of the Legislature of British Columbia and, under that Act,

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the creation of a small fruits Marketing Board and it has worked wonders. It has raised the quality of small fruits, it has raised the quality of the packaging of small fruits and it has increased the sales phenomenally. Now in all Provinces they have these Marketing Boards, maybe for tobacco, in Ontario, for example, it maybe for almost anything you can mention, any primary products, that is to say products grown on farms: meat, pork, beef, mutton, lamb, wool. I think all the wool that is produced in Canada is marketed by Marketing Boards. From end to end in Canada this has happened. Without these Marketing Boards, Canadian Agriculture would have collapsed and, indeed, even with the Marketing Boards, Canadian Agriculture would have collapsed but for the enormous Federal Government subsidies poured, in millions, indeed, Sir, poured in many hundreds of millions of dollars, into it.

Well, there was a suggestion the other day, Mr. Chairman, that the Government of Canada should buy up all dairy farms in Canada, below a certain number of head of cattle. All dairymen, having fewer than say one hundred head of milking cows, would be bought out by the Government, at a generous price, the houses, the farms, the barns, the machinery, the livestock, lock, stock and barrel, the Canadian Government buy every dairy farm in the whole of Canada, if they had fewer than say one hundred milking cows. The cost would not even equal what it now takes annually to subsidize milk and cheese in Canada. The annual payment out, as gifts, contributions to the dairymen in Canada, the amount is more than the total value of some eighty per-cent of all the dairymen in Canada and that, therefore, if they were to do that and allow the larger dairymen to double, treble and so on, their size. These farmers do not need any subsidy, incidentally. They are getting the subsidy because the subsidy that is paid to small dairymen is paid at the same rate, not in the same amounts, much larger amounts but at the same rates, to the large dairymen, who do not need but who pocket it and take it. If they bought out all dairymen in Canada, in the ten Provinces, having a production of less than a certain

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figure and left only those above that figure, the cost of doing it would not equal one year's cash subsidy.

That is the dairymen. We engaged a firm, John Diefenbaker's speech writer from Winnipeg, He had left Mr. Diefenbaker to form his own firm of consultants, We hired him, while Mr. Diefenbaker was Prime Minister, this Government hired Mr. Diefenbaker's speech writer and friend, especially Alvin Hamilton's friend, and brought him here to Newfoundland to write a report for us, to the Canadian Government, outlining what it was that the Canadian Government had done and was doing, continued to do, for Canadian agriculture, because we wanted to argue with the Canadian Government that what they were doing for Canadian agriculture they ought to be prepared to do for Newfoundland fishing or Canadian fishing for that matter. So we had to know what it was they were doing, the nature of it, not just the amounts. We had the report that gave the amounts but it was not the amounts, it was the nature of the payments.

They were giving immense amounts for clearing land, and that would be the equivalent of building boats. They gave immense amounts for crop insurance against crop failure, well that would be catch failure as applied to our fishing industry. They gave great amounts for the building of barns and getting livestock and getting machinery, agricultural machinery, the equivalent of that, applied to the fishing industry, would be enabling the money to enable fishermen to get boats, to get engines, to get gear and to get flakes and stages. These are the equivalent, in the fishing industry, of what they were doing for Canadian agriculture. The figures, Mr. Chairman, that Hedlin and Menzies, they gave the figures that had been paid out as gifts, by the Canadian Government to Canadian agriculture, and it was up into the seven or eight hundred million dollars, practically the best part of one billion dollars. If the Canadian Government had not done that, Sir, there would be no Canadian agriculture this day, just as there would be no fishing

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industry this day in Newfoundland, if the Newfoundland Government in the last twenty-two years had not poured the millions, the tens of millions into the fishing industry that we have poured.

Somehow or other the manufacturing industries seem to thrive in the main, on balance, on the average, they seem to thrive, they seem to make oodles of money, they seem to employ very large numbers of people in the aggregate, but the primary industries, those producing fish and food, fish and land food, pork, animals and eggs and the rest of it, seem forever, in our North American economy, not in France, not in Germany, not in Italy, not in Spain, not in Portugal, not in most of the countries of Europe but certainly in North America, these primary industries, producing food of one kind or another, not processing food, I mean growing potatoes, not taking the potatoes and making chips and selling chips by the carload, by the train-load and making oodles of money out of it, but growing potatoes, you loose your shirt. But other big firms would take peas and beans and tomatoes and other farm products and process them and make oodles of money processing them, but the production, the primary production, in the first place, the primary producer is the poor sucker, all up and down Canada and, until quite recently, say in Franklin Roosevelt's time, all up and down the United States. Now they have gone in the United States to the exact opposite end. Today they are paying out incalculable sums of money, each year running into many, many billions, twenty, thirty, forty billion a year, they are paying out to subsidize American agriculture because some how or other, the market will not pay the price for these products, the price that will enable the farmers and their families to live according to the standard that has become commonplace up and down this Continent.

So as the market will not give it, the Governments dip into their Treasuries and pay it directly into the hands of the primary producers. This is topsy-turvy, this is crazy, this does not make sense. It is nonsense. It

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is one of the possible inditelements of our modern, capitalist, free enterprise system. I would say that the hon. gentleman from Fortune Bay makes more money out of agricultural products than all the farmers in Canada, I do not mean all of them put together. You do not even have to be a processor of farm products in nice fancy packages and fancy cans and fancy bottles with fancy labels on them, you do not have to be the processor, all you have to be is an importer, a wholesaler of them or a retailer of them, and you make more money than the primary producer does. Who do you think makes most money on cod fish or other fish produced in our waters? Who makes most money out of it? Is it the fishermen? Nonsense. Nonsense. He is the last one to make a dollar out of it. The same thing applies to farmers, to all producers, primary producers of food. The thing is crazy, the thing is maniacal, the thing is lunatic, it is all wrong. It is putting the pyramid on its apex, standing it on its apex.

Surely to God the producers, the primary producers of food, have a claim on society of at least a decent standard of living, if not to become rich at least a decent standard of living! Surely they have that claim on society, have they not? The only way they can get it is to be subsidized by Governments and to make an attempt, which is often a feeble attempt, to organize themselves into Marketing Boards, to try to stop the slitting of throats and the stabbing of backs that you get so often among primary producers of all kinds. It takes primary producers somehow a long, long time to learn the lesson that cut-throat competition between one producer and another is madness and is diastorous and is ruinous.

Now we are beginning in Newfoundland to have some Marketing Boards. It raises the question; should we have any agriculture anyhow in Newfoundland? Should we have any? Should any potatoes be grown for sale in this Province, any potatoes other than those that are grown by a family for their own family use? Should any potatoes be grown commercially? Should any turnips? Should



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any carrots or parsnips or beets? Should there be just peasant farming, people rearing a pig for their own pork, a sheep or a lamb or two or three for their own bit of wool, to knit their own underwear and their own socks? Is that what farming should be in Newfoundland? Possibly, possibly so and if you were starting from scratch and we were starting, a new Province, and there was not a living soul here and we were going to make Newfoundland a Province and half a million people were going to come marching in here and settling down from scratch and there was no agriculture here, perhaps the sensible thing would be not to have any and be true, free traders and say: "Do not be mad, do not be insane, do not think you are going to compete with the egg producers and the pork producers and the mutton producers and the potato producers and all the farmers of Canada, do not be foolish, do not be silly in the head, You cannot compete with them, so do not start." Now that is if we were starting from scratch, but, Mr. Chairman, we have not started from scratch.

We started twenty years ago, thirty years ago, with a farming population here. We started with a farming population, there has been farming for one hundred years, two, three and four generations of farmers. They are here. Now what do you do? Do you take them out and asphyxiate them? Do you take them to the gas ovens? What do you do with your farmers? What do you do with the farmers in Harbour Main district? What do you do with them? Take them out and hang them, put them on the dole? What do you do with your farmers in Newfoundland? Now there are only a handful of them and politically, except in a few spots on the Island, they are not even worth thinking about, politically speaking they do not count. But they are there and they are Newfoundlanders and remember this, Mr. Chairman, please remember this, that in Newfoundland here what we have to do is bring dollars into this Province. We are not allowed to mint them or coin them or they will put us in jail. It is against the law. So they are minted and they are coined up-along, are they not?

MR. SMALLWOOD:

Well, we want them do we not? So we have to bring the dollars in, Right? They have to be brought in here. They are not here to begin with, so we have to bring them in. That is right, Check! Okay! Have to bring them in. But they do not want to come in unless we have something to give in return, so we give them salt cod, do we not? In Jamaica, in Porto Rico, in Portugal, in Italy we ship cod out and back come dollars, we ship paper out and back come dollars, pulp and back come dollars, minerals back come dollars, we ship out all kinds of things and back come dollars.

What do we do with the dollars when they come back? We ship them right out again, Straight away, out they go again. What for? To buy flour, molasses, pork, beans, tea, coffee, yeast and a hundred other articles of food and to buy motor cars and a million other things. That is what we use the dollars for. So obviously, the more we can ship out the more dollars we will get back and the more dollars we get back the more we will have to send out again to bring in more of the things we want. We do not want the cod, we do not want the paper, we do not want the pulp, we do not want the iron ore, we do not want the minerals, we want that to go and have dollars come back so that we can use the dollars to buy the things that we do want. Now you have so many dollars back, what are you going to do with them? You are going to ship them out again, but the fewer you ship out the better, Keep as many as you can here, do not let them out of Newfoundland, let them stay in Newfoundland. What for? To buy local beef, local pork, local lamb, local mutton, local potatoes, local turnips, local cabbage, local carrots, local parsnips, local beet, local eggs, local broilers, local turkeys. Why not? Does that make sense or not? Of course it makes sense.

So if you are going to have an agricultural industry, well if you have an agricultural industry to begin with and you are not willing for it to die, then you are left with only one course, only one left to you, and that is to make it grow, to make it prosper, to make it expand and that is

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impossible without Marketing Boards. It cannot be done.

I am told that there is a farmer in the gallery tonight, from Rattling Brook, Green Bay, one man, but he is only one of 2,000 and 1,500 - 3,500 farmers in Newfoundland. What I would not be prepared to do, as Premier of this Province, I do not know what I would not be willing to do to create 3,500 new jobs. What I would not do? Please imagine, Tell me what it is I would not do to get 3,500 jobs in Newfoundland? Well we have 3,500 jobs, farmers who are living a decent, wholesome life out under God's sun, working the good earth. We have them, 3,500, with their wives and their children, good Newfoundlanders. Now what are we going to do? Will we send them to the gas ovens or will we protect them?

Now, ever since Confederation started, I have looked over at the Opposition and every single session they have been up pleading for the farmers. Right? The Leader of the Opposition nods and he knows I am telling the truth in this particular remark, If he does not believe another word I have said, he knows I am telling the truth now because he is one of those who did it, always speaking up for the farmer. Look, speaking up for the farmer is only wind, That is all it is, wind and foul wind at that - you know what I mean, Mr. Chairman, by foul wind. You know the kind of wind that is, That is all it is, if we do not back it up with action. Action - that is what the Marketing Boards are for, and I take my hat off to my colleague, the Minister of Mines, Agriculture and Resources. He is not a farmer and I do not know whether he ever even saw a farm. I am a bit of a farmer myself. I am a pig man. I know more about pigs than any man in Newfoundland, both kinds - four legs and two legs, all kinds of pigs I know about. I have had a lot of experience with both kinds of pigs.

MR. MURPHY: That is through the association I guess.

MR. SMALLWOOD: Through the association I have seen an awful lot of them. Now he does not know anything about farming himself, He has never done any farming.

MR. SMALLWOOD:

I do not suppose he ever went out and weeded, I do not suppose he ever went out in the fall of the year, as a youngster with his hands frozen, picking turnips out of the ground, with the frost in the ground, which is the right time to take them out. Has he ever done that?

AN HON. MEMBER: Scraped them with a spoon.

MR. SMALLWOOD: A spoon! What kind of a farmer is that? A spoon!

MR. MURPHY: He means eating the eggs. He cannot get the eggs out of mind, eating the eggs.

MR. SMALLWOOD: With a spoon!

AN HON. MEMBER: You cut the top of it and you scrape them out and you never tasted anything like it.

MR. SMALLWOOD: Oh, you mean you scrape to eat. A farmer, scraping turnips to eat. But without being a farmer and knowing very little about agriculture, he has become the champion of farmers in Newfoundland. That is what he has become. He has the guts and he has the nerve and he is able to stare down the Opposition, able to stare them down or sneer at them or just smile back at them and go, plow straight ahead doing what he knows is right, and what he knows is right is to help the farmer and to establish these Marketing Boards.

Now on the Marketing Boards, may I say one thing before I conclude? If there were any members of the egg Marketing Board in the Chamber, and I do not imagine there are, if there were I would plead with them. You have your Marketing Board now, you have it, you have been wanting it for donkey's years now and you have it, Now keep your feet on the ground. Do not go hog-wild or do not go eggwild, keep your feet on the ground. Get first established the stability, the stability. That is the first duty of a Marketing Board, establish stability and stop the violent fluctuation of prices. Try to stabilize but do not

MR. SMALLWOOD: try to stabilize too high or you will turn your consuming public against you. Stabilize not too low, or you will go out of business, you will lose your shirts. Stabilize where you do not lose your shirts, and if you go along for a whole year and do not make any money but just do not lose any money for the first twelve months, if you do that it is a magnificent triumph, because, for the last four or five years they have lost their shirts Mr. Chairman, the egg producers in this Province have lost hundreds of thousands of dollars.

What in God's name is happening up on the mainland where they tell me in Manitoba eggs are selling for ten cents a dozen? How long can a farmer keep that going? How long? A month? If they would only now keep their feet on the ground and be sensible about it, and just be content for the first twelve months, to stabilize, even if they do not make anything, then gradually edge the price up and take another year to edge the price up to a reasonable thing that would give them a return on their money, because, everybody in business is entitled to a return, Right?

AN HON. MEMBER: Right.

MR. SMALLWOOD: Right, they are entitled to a decent return on their investment, which they have not been getting now for some years. They have been losing money steadily. What have they done? They have gone to the banks and borrowed. I know one, I am well acquainted with one poultry establishment, egg establishment, that has gone repeatedly, year after year, to the banks, not banks, bank, and they are very, very deeply in debt. The interest they are paying annually, to the bank on their heavy loan, would be a nice net income if they had it. That is the result of this cutthroat, fierce, foolish, maniacal competition of the last several years.

Now, if they can get away from everything, just stabilize prices. I have not met the Board, I have not talked to them, but if I did, this is what I would say to them and I would hope that they would



follow my advice, to keep things steady for a year and do not offend anybody. Just be quiet, say nothing, get into no controversy, but get their Marketing Board firmly established. This would be a great triumph, because, it is the first such one we have had in Newfoundland. I do not know of another one we ever had, had we? Have we ever had a Marketing Board with the authority of the law behind them? This is number one, there will come three, or four, or five others, we hope, but provided they keep their feet on the ground and do not go hogwild, do not start getting greedy, do not start gouging, just keep the thing reasonable, that is the sensible thing to do, is it not?

MR. CALLAHAN: Mr. Chairman, I would like to add to this, in case I do not get the chance before 11 a.m., because it is, in my view, a serious matter. The hon. member for St. John's East raised it when he said that the result of the creation of the Egg Marketing Board, which was a decision incidentally of the producers, entirely of the producers...

MR. MARSHALL: I know.

MR. CALLAHAN: It was a decision, Mr. Chairman, under the law, entirely, entirely of the producers.

MR. CROSBIE: Yes, the majority of them.

MR. CALLAHAN: A large majority of them but nonetheless a decision of the producers, just as the hon. gentleman's departure from this House is going to be a decision of the voters of his district which ever one, that may be. Now it will not be all of them, but it will be the great majority. The same thing applies here. The hon. gentleman, the hon. member for St. John's East, said that the people being victimized by the creation of the board, due to the rise in egg prices, are the consumers and the housewives. I think he even went on to say the children of Newfoundland.

Now I want the committee, Sir, to know, and I can prove it and back it up by charts and graphs, that the level of egg prices in this Province has not risen since last September 1. It has fluctuated a cent or two, perhaps even three, but it has not risen above the general level that obtained last

Mr. Callahan

September 1, four months before the Egg Board was created. I am talking now about the price to the producer. Now I know, Mr. Chairman, because we do not nor do we intend to control the retail price, but there has been gouging at the retail. I know that there has been a spread of as much as \$.24 between the price that producers have received and the price that consumers have paid in retail stores. I know that.

MR. MURPHY: Since the board was set up.

MR. CALLAHAN: Pardon.

MR. MURPHY: Since the board was set up.

MR. CALLAHAN: Since the board was set up. This cannot be blamed on the board nor on the producer board nor on the farmers. It can only be laid at the door of the retail store or the supermarket. Now I have brought this to the attention of the press on a number of occasions. I suppose it has not been as attractive a matter to raise as the furor created by two or three individuals.

MR. SMALLWOOD: It is just as quick and simpler to blame the producers.

MR. CALLAHAN: It is just as quick and simpler to blame producers. But nonetheless, it seemed to me the kind of thing that some crusading newspaper man might latch on to. This, Mr. Chairman, is not the fault of the producer.

MR. SMALLWOOD: Nor the board.

MR. CALLAHAN: Nor the board. We know what the producers are selling for. They are selling for what is established as a minimum price, which becomes automatically the maximum price. Now even at that...

MR. CROSBIE: They other way around.

MR. CALLAHAN: Not it is a minimum that is set.

MR. SMALLWOOD: You should not stand for less than this.

MR. CALLAHAN: But that becomes the maximum in practice. But there is, as I have

Mr. Callahan

said, a spread and there has been, of as much as \$.24 to the consumer. That must be a matter for the consumer to deal with, in relation to where the consumer purchases. Some comparisons were made, Mr. Chairman, with egg prices in Nova Scotia. Nova Scotia is the last of the provinces to establish an egg marketing board. They are right now doing it. The reason they are doing it is that their farmers are starting to starve, starting to perish and to go out of business, at the level <sup>of</sup> price that they have been forced to accept because again of the surpluses that obtain not only across the country but in that province. Thirdly, I will not go into the matter of constitutionality nor legality. That has been well dealt with by the hon. the Premier. But I will say this: That what the hon. gentleman for St. John's East has said and what his separated brother, in another place, has said, if we follow that line logically, Mr. Chairman, it would lead to the destruction and death of agriculture in this Province. I will tell you why. There is, before the House of Commons now, a Bill, which I believe is being supported by and is the basis for certain remarks made by the member of Parliament for St. John's East, a day or two ago.

As a matter of fact, provinces did not have support for it a year ago in June month. All the ministers of agriculture except one, all the Provincial Ministers, the one being Manitoba which has allowed its production to go hogwild literally in respect of pork products, pork production, and the same in terms of poultry and eggs, that province is the one that right now is trying to have all marketing boards, in effect, ruled unconstitutional. But there is a Federal Bill...

MR. CROSBIE: They have been successful so far.

MR. CALLAHAN: No, Mr. Chairman, they have not. They have only been successful in that the Government of Manitoba have gone to the Manitoba Supreme Court and

Mr. Callahan

asked that court to rule. I, perhaps, view that decision with a little regret and with a little apprehension. I believe that it will not be upheld in the Supreme Court. However, that is another matter.

There is, at the Federal level, a Bill, which if implemented in the form in which it stood three months ago, would say to this Province, i.e.; you shall not have an agriculture industry. You shall not produce eggs. You shall not produce broilers nor pork nor beef nor potatoes nor anything else, unless the National Council, appointed by the minister, the Federal Minister, with no representations from your Province, tells you that you can produce any. Furthermore you are to be the market for, let us say, Manitoba. Now this is where, in effect, Mr. Chairman, once the decision is made as to who is going to produce, that is consigning everybody else to be a market. That is what the Federal legislation has meant. Now recently there have been some amendments proposed.

MR. SMALLWOOD: They could not make that stick. That a Federal board would say that no potatoes or turnips or eggs shall be produced in the Province of Newfoundland.

MR. CALLAHAN: Mr. Chairman, we have taken a view of the Province - the hon. the Premier is asking really a rhetorical question, because he knows that at the Constitutional Conference in January and otherwise, we have suggested that the National Farm Products Marketing Act, which may become an Act, in fact, is far more offensive to the Constitution than any Provincial Marketing Board legislation that now exists. My point is that the hon. the member for St. John's East is following along in the foot path of the senior member for that area, the member of Parliament for St. John's East, in supporting legislation that is absolutely iniquitous, Mr. Chairman, in terms of the interest of this Province to develop its agricultural industry. I think it is worth bringing that matter to the attention of the Committee.

I will say one other thing and that is that there is an alternative,

MR. CALLAHAN:

if we are smart enough to grasp it, and that is a system, Mr. Chairman, which is not unlike and indeed could be quite similar to International Marketing Arrangements of which Canada is a part. I have gone and made it my business to determine that, in the opinion of some of the best authorities in trade and commerce in Canada, it is a feasible thing to do interprovincially and that is a system of interprovincial negotiated arrangements or agreements, similar to the general agreement on tariff and trade of which Canada is, of course, a signatory country. Unless we have some basis, agreed basis, for the passage, the transportation, the trade in agricultural product in the country, we have to have marketing boards, Federally or Provincially, which in one way or another are going to be problems in terms of interprovincial movement.

So the only really effective approach is interprovincial agreements arrived at by negotiations. But what I really stood to say, Mr. Chairman, is that it is not true and it is demonstrably false to suggest that because of the establishment of either the Newfoundland Marketing Board, in April of last year, or of the Newfoundland Egg Marketing Board, and unfortunately the two names are similar and we really should change one or the other, but it is not true and it is quite false to suggest that because of the establishment of either of these Boards there has been an increase in the price of eggs to consumers in Newfoundland. It is not so, Mr. Chairman. The price level that was completely acceptable to consumers, I think acceptable to producers and to the trade, as of last September 1st, has been maintained within a cent or two, up and down. Therefore, there cannot be any suggestion, or if there is it is spurious; that the institution of the Egg Marketing Board, on the 1st of January, has caused an increase in prices.

It has done this, Mr. Chairman, it has prevented the dumping into this Province of Manitoba eggs that, including transportation, cost seventeen cents a dozen, or Nova Scotia eggs, at prices far less than it cost their



MR. CALLAHAN:

producers to produce them. It has done that but at the same time it has protected our own producers and, unless some satisfactory arrangement can be made nationally, we are not going to have any choice but to do what other Provinces, as I said last night, have done for decades, and the courts have upheld it, what they have done in at least one hundred and fifty different instances and what they have done as recently as, I think, four weeks ago in New Brunswick and are doing now in Nova Scotia, in respect of the poultry producers, namely to take the responsible steps that must be taken by the Government of a Province to protect its own domestic industry.

MR. BURGESS: Mr. Chairman, now we are totally aware of the philosophy of the Egg Marketing Board. We apparently today have become the champion of the farmers. What I would like to know is when somebody is going to become the champion of the people who reside in the Labrador section of the Province, in particular Labrador West? Now the hon. Minister in just sitting down has stated that because of this Egg Marketing Board that it is not a fact that it has helped to increase the cost to the consumer, for eggs, and I wish there was some way that he could explain to me and to the people of Labrador West how this will not be a fact.

Now it is only logical, seeing as how Labrador West, the section of the Province that borders on Quebec, it is only logical that we get our goods from the Province of Quebec, since we have a road link and a railway link with that portion of the country whereas we do not have it with the Island section of the Province. Now it has already been established, and quite conclusively, that we in Labrador are subject to a cost of living eighteen per-cent higher than you are here on the Island. This was established by a Royal Commission Report. Now we are told, because of this Egg Marketing Board, that one of the very few items that we can get, that we can consume, that we can buy cheaper than you can here in the Island section of the Province, we are being told now that this will no longer

MR. BURGESS:

be a fact, we will have to pay the prices as dictated by the Egg Marketing Board.

Now it certainly does not appear logical to me nor will it appear logical to the people who will be in a position or who will be forced to buy eggs under this Egg Marketing Board philosophy in the future. It certainly does not appear logical to me that, if we have, if we are compelled to buy the eggs produced in the Province how, I would like the Minister to answer me, how will we receive them? What it will mean, in effect, is that we will be subject to the minimum or the maximum rates as applied by the Egg Marketing Board, plus that the consumer will be compelled to pick up the transportation costs of these eggs into Labrador. I do not know what route, they certainly will not be flown in at the air rates that we are charged. They will have to be sent by the circuitous route from Sydney up through Nova Scotia, New Brunswick, Quebec and into Labrador. We will be paying for the transportation costs also.

So when the Minister makes the statement that because of the implementation or because of this Egg Marketing Board policy that it will not in effect mean higher costs to the consumer, well then I say, Sir, that this is positively a wrong statement as it applies to Labrador. I have been out on the coast of Labrador, where I have seen people, the prices quoted by the hon. member from St. John's, when he was talking about prices, I have been out on the coast of Labrador, where I have seen them pay \$1.10 and \$1.25 for a dozen eggs as applied to \$.60 here.

MR. CALLAHAN: You cannot blame that on the Marketing Board.

MR. BURGESS: No, I am not. But what it will mean, if these eggs are shipped around and we have to pick up the transportation costs, it will be even higher.

MR. CALLAHAN: Well, we will see that you get our eggs, which are cheaper.

MR. BURGESS: Well, the statement that you made, about it not meaning increased costs to the consumer, is positively wrong as it applies to Labrador. That

MR. BURGESS:

is all I have to say.

MR. CALLAHAN: Mr. Chairman, just to briefly comment on that, if I may. There are two situations that have to be considered, Mr. Chairman. I have no doubt that the price of eggs in Quebec has been deflated again below cost. I think everybody is aware of the fact that there is literally a war, particularly between Quebec and Ontario, at the moment on eggs and broilers. Quebec has had great, great difficulty with their particular Marketing Board setup. They have gone further, I think, than any other Province, down the road towards control, seizure and all kinds of things. This has riled other Provinces, The effect has rebounded on Quebec producers, and not recently, as this goes back to, I think, early last year, with the result that there was a,

MR. CALLAHAN: is a depressed price situation temporarily in Quebec, as there is a depressed price situation in Manitoba. It is possible to have a lower price structure temporarily when that situation obtains. But once that situation stabilizes, the lower price no longer is effective. The producers in Quebec will go back to the price level at which they must go if they are going to remain in business. But in the meantime, if they are allowed to ship eggs, to dump eggs, at dump prices, into other Provinces, as we are guarding against, then after that temporary situation has resolved itself, we being a very small proportion of the Canadian industry, will be left with no industry.

Now this is one Province. The law must apply equally everywhere in this Province and it is not, in my judgment, possible for this House to pass a law that does not apply equally. At the same time, Mr. Chairman, and I suspect, I wonder ...

MR. SMALLWOOD (J.R.): Does the Act give us or give you the authority to designate areas where it applies and areas where it does not apply?

MR. CALLAHAN: My advice is that it does not, Mr. Chairman.

But the other point I was going to make is this, when the hon. gentleman referred to prices on the coast of Labrador, \$1.50 and \$1.20, this cannot be in any way, shape or form attributed to our producers or to the egg board and I suspect the same thing obtains there that obtains in Western Newfoundland and in Central Newfoundland a few weeks ago, where there was, as I described it, quite literally, fantastic gouging at the retail level.

Now we have plans and indeed our officials will be in Labrador this week or next week to look at sites, a site particularly for a facility on the Coast for holding various kinds of agricultural product, what we intend to do is to ship product from our own plants in the Province. I have named a number of new ones tonight, and these, along with the others, to Labrador and the same price structure, I hope, will

MR. CALLAHAN: apply to that product in Labrador as here. So that the same stability that we have been able to achieve on the Island will be achieved in Labrador. This is the purpose of putting the facility there. But I suggest also, again, Mr. Chairman, that the temporary relief to the consumer, as a result of the dumping in at low prices, a product from surplus areas, into this Province, would be far, far, far outweighed but the disadvantage to the Province, if it were to result in the destruction of what we are trying to build up and what we have the potential to build up in the agriculture industry in this Province.

MR. BURGESS: Mr. Chairman, as it applies to the coast, I believe what the Minister said would possibly benefit the coast, by stabilizing the prices and preventing this gouging. But does it not occur to the Minister that it is completely illogical and impractical when you think in terms of Labrador West as this philosophy of the Egg Marketing Board applies? It is just not logical. What it will mean, it will mean an increase in cost. I see where the hon. Minister has made the statement that there could be further marketing boards that would apply to vegetables and so on. Does that mean that the same thing is going to apply to us in Labrador?

MR. CALLAHAN: On the face of it, I would have to say yes, Mr. Chairman. But I am prepared, we have looked at it in some detail. I am prepared to look at it again and see if there is some need to provide for special situations. But generally speaking, as I have said, the legislation approved by this House applies throughout the Province.

Let me say too that it would be, in my view, dangerous to begin setting up, if you like, two provinces. We have been talking here tonight about, in these marketing arrangements, Balkanize the Country, I do not think we want to Balkanize the Province. If we have to look at special situations, I think we will have to treat them as such but within the general context of policy as it must apply throughout both the Island and Labrador, I think that is an essential



MR. CALLAHAN: consideration.

MR. MURPHY: Dedicated, there he is, and was in the Premier's mind when he asked the question.

MR. CALLAHAN: I think so and I think that is an indication, we are certainly prepared to look at it along those lines. But I am not convinced that the Egg Marketing Board and its establishment have caused the magnitude of problems that the hon. gentleman has referred to. I think it has been caused and can be attributed to the depressed price situation in Quebec, which is going to recover. Quebec producers are losing, I suppose, millions of dollars, and they are going to get back what they lost and they probably will get it back, in the first instance, by higher prices, when they get their Egg Marketing Board straightened out.

MR. EARLE: There has been a lot said, about egg marketing and marketing generally of agricultural products, tonight and there are only a few things remaining to be said, I think.

One of the most important is this - that while we are discussing the marketing boards and particularly the marketing of eggs, it has been mentioned that maybe there will be marketing boards for sheep or what have you, all the way down the line. I do not think any Newfoundlander in his right senses will begrudge any of the Newfoundland farmers a safe and stable living or a sound -

MR. SMALLWOOD: If the hon. gentleman will allow me - begrudge the farmers getting more, any more than they begrudge the trade union getting their wages.

MR. EARLE: Not at all, that is what I am saying. I do not think Newfoundlanders rear enough in a community to want to support our own people. They do not begrudge even, I do not think, the extent, if it costs a few cents to do so, to support the industry. I will go so far as to say that. But one thing which has to be kept in mind in all of this particularly, if this thing catches on and grows from one industry to another or one agricultural, one

farming product to another, is that Newfoundland is today the most expensive part of North America in which to live. The cost of living here is the highest of all of North America and the wages are the lowest. Our average take home pay is lower than any other part of North America. While all these theories are very fine, in supporting relatively small groups, we must see that the thing is properly controlled, that the big bulk of the people, who are the consumers, are the ones that are going to be protected.

Now, I do not think we on this side would have had any quarrel at all tonight with the sort of thing in the marketing board of this nature. But, we do dispute that this has been given such prominence and such support whereas the general support in consumer affairs is almost nothing at all. It is a very, very small vote, there is nothing at all for the general protection of the consumer in this Province. There are many other things besides eggs which the Government should be looking at. The Premier himself fell low enough to give me a bit of a backhanded slap -

MR. SMALLWOOD: The hon. gentleman is a type of every businessman in the Province.

MR. EARLE: Well, all businessmen I am a businessman, I have been a businessman for many years.

MR. SMALLWOOD: I am not blaming the hon. gentleman for that.

MR. EARLE: I think this is low, when this sort of thing is brought in because a businessman operates under strict rules of competition. He has to exist without any subsidies or promotions of any type. Nobody rushes to the rescue of a businessman and gives him a subsidy on the can goods he is selling or anything else. He meets competition and competition is vicious in this business. It is one of the biggest organizations in the world. A businessman has to make his way on his own feet. He does not get any farm subsidies nor anything of this sort. He does not produce anything, which is quite alright -

MR. CALLAHAN: He does not produce anything -

MR. EARLE: If the hon. minister will permit me, I was in the producing business, in the fish business, for many years.

MR. SMALLWOOD: The fish industry has received untold millions of dollars of public money to keep them afloat.

MR. EARLE: In recent years they have.

MR. SMALLWOOD: In many years.

MR. EARLE: But, I knew what it was to exist without any subsidies or help of any sort for many, many years. All I am saying, in the local context, is that if there is industries and agricultural products and so on, to be supported, it must be kept in mind, by the Government that brings in these regulations and these controls, that their prime interest is the Newfoundland consumer. It is no use picking the thing off piecemeal and going at this and going at that. It must mean that the consumer himself is protected and I think it would fall very heavily upon the shoulders of any Government, if they get into the habit of supporting any particular segment of an industry over agriculture or anything else, if this thing grows to the point that the consumer is the one who pays for it very heavily indeed.

Now if I may finish off on what I started to say, I am sure, speaking for one on this side of the House, I do not begrudge a support to a very worthwhile industry such as egg producing or farming of any type, providing the thing is kept within reasonable control and while at the same time the foremost thing in any government's mind must be the cost of living in this Province and the protection of the consumer. If that can be married together, if these two things can be wedded so that the producer can live and the consumer cannot be overcharged, then I think we have reached almost the stage of millennium.

MR. SMALLWOOD: That is reasonable.

MR. EARLE: This is the type of thing which any public should expect of any Government. I feel that if this Government does not play favours or does not try to get the favour of any particular group, through trying to support them alone without remembering the people who give them their support,

which is the consumer, that they will come out on a very sorry and sad end of this affair.

MR. MURPHY: Mr. Chairman, just one or two words I would like. I would like to continue discussion on this, but I just want to clear up one or two points, with reference particularly to a remark made by the Hon. the Premier, with reference to the stand the Opposition has taken over the years, with reference to the farmer. That is perfectly right we have been here, we have seen what farming we did have in the Province, and I refer particularly to the Codroy Valley and that area, just about abolished or almost, you might say, annihilated due to the heavy competition we have had, from Prince Edward Island particularly. I have heard the Premier stand in the House and maintain the fact that we are not a Prince Edward Island, that we have not any farms that you might call a farm. Basically he may be absolutely correct in that because most of our farming, if you like, is the garden variety farming. But we have maintained over the years, Sir, that it is an absolute necessity for the Province, for our economy, to assist farming in some way.

Now, we have heard here tonight the great extolling of the virtues of the farmer. What the farmer has gone through, this type of thing and we should help the farmer. Now, in my reasoning the farmer to me was the man who grew potatoes, turnips, cabbage and so on and so forth. In recent years we have had the upsurge of poultry producers.

MR. SMALLWOOD: And hogs. And broilers.

MR. MURPHY: Apparently, and hogs, because these were the Premier's great thoughts, he favoured the poultry producing, he favoured the hog producing. We stood in this House many times and said, because the Premier was a bit hot on these subjects, that these were the ones were getting the benefit of anything that was happening in Government circles. Now, as I say, we talk now about the egg producers. We talk about hogs. But what about the man who has the thousands of barrels of turnips in his cellar, he cannot get clear of them? The man that has the potatoes in the same position and what we

call the basic root crops. We have today reached a stage where, with the Egg Marketing Board, prices have been established and, whether the Minister says that there would be no difference in the prices of eggs since last September up to now, he may be right. The hon. member for St. John's East says there is a six cent differential. I do not know, quite frankly. But I do know this, that the price that eggs are pegged at now, which is the minimum price they are sold at, is far above what the housewife, what the family were paying for eggs last year and the year before.

MR. CALLAHAN: No. No. Grade A Extra Large were selling about fourteen months ago for as high as \$1.05 a dozen.

MR. MURPHY: Mr. Chairman, I will ask the people of this Province to supply the answer to that. If the hon. minister is getting as many phone calls as I have been getting over recent months about this price of eggs, he is certainly not quoting facts.

MR. CALLAHAN: The average was sixty-two cents last September 1. just try for A Large now and see what it is.

MR. MURPHY: Mr. Chairman, if I may, I feel that with the price of eggs as they are pegged now, the hon. member for Labrador West, I understand he can buy eggs twelve cents a dozen cheaper in Labrador City. Now we are going to say you have to pay another twelve cents.

MR. CALLAHAN: Is that the retailers fault or somebody else's? Is that the retailers fault where you know they were making twenty-four cents?

MR. MURPHY: I am not talking about the retailer, all I am saying is this, The Egg Marketing Board -

MR. CALLAHAN: Let us be sure what you are talking about -  
Let us not blame the farmers for it.

MR. MURPHY: Why not? Look we are talking about obstruction in this House There have been more mouths shooting off since we tried to get a few -

MR. CALLAHAN: Come off. come off ,

MR. MURPHY: Look there is my friend all worked up again, look. Mr. Chairman,



look, one of these days someone has to decide if the rules of this House are going to be maintained, where a member can stand in his seat and speak without being interrupted continuously. Now, someone has to make that decision. I know it is going to be pretty tough on the Chairman, but if we are going to have -

MR. SMALLWOOD: We are in Committee -

MR. CHAIRMAN: Order please. I do not think we have time for this tonight. Shall the Committee rise, report having passed Items under Heading 8: Mines Agriculture & Resources. 801-01, 815-04, 06?

On motion, Mr. Speaker resumed the Chair.

MR. CHAIRMAN: Mr. Speaker, the Committee of Supply have considered the matters to them referred and passed estimates of expenditure under the following headings: Heading Mines, Agriculture & Resources. Items 801-01 to 815-04, 06, report progress and ask leave to sit again.

MR. SPEAKER: Chairman of Committee of the Whole reports have considered the matters to them referred and directed him to report having passed Estimates of Expenditure under Heading 8, Mines, Agriculture & Resources Items 801-01, to 815-04, 06. It is moved and seconded that the report of this Committee be adopted.

On motion, report received and adopted, Committee ordered sit again on tomorrow.

MR. CURTIS: Mr. Speaker, before moving the adjournment of the House, I would like to inform the House that I have been asked by the Chief of Police to invite every member of the House, on both sides, if they would like to attend the Memorial service, tomorrow afternoon, at Fort Townshend, where a monument to the memory of the late Constable Moss is to be unveiled. The unveiling takes place at 3.00 p.m. and I would think that the entire programme would take about half an hour. I would therefore, in moving the adjournment of the House, move that when the House rises it adjourn until tomorrow Wednesday at 3.30 p.m. and that the House do now adjourn, with the understanding that

if we should arrive back a little later than 3.30, the Speaker will be indulgent in calling the House together.

MR.SPEAKER: It has been moved and seconded that this House at its rising do adjourn until tomorrow Wednesday at 3.30 of the clock, and that this House do now adjourn.

MR.MURPHY: Mr. Speaker, on notice to adjourn I would like to thank the Chief of Police for his kind invitation to acknowledge the Opposition Party in inviting them to this very important function. .

This House stands adjourned until tomorrow Wednesday at 3.30 P.M.